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The Nation's Business

Let's Get On With the War

The Ottawa Journal objects to The Financial Post having discussed the subject of the missing British war orders. There has been too much complaint in Canada about the lack of war orders, it thinks. It read two or three paragraphs of an article in The Post and then, without reading the balance, it proceeded to dispose of the whole question with the self assurance of one who knows all the answers.

It says there is no mystery about the failure of Great Britain to place large munitions orders here. The explanation, it suggests, boils down to three facts:

1. "Britain's own plant, geared to a war high for more than a year, is turning out enormous quantities of munitions;

2. "There has been little consumption of war munitions, tremendous production;

3. "Orders for munitions (for diplomatic reasons) have been placed with neutral countries."

These being the circumstances, the Ottawa Journal demands, are Canadians going to insist that "Great Britain, sorely pressed financially, compelled to husband her resources, must place orders for shells in Canada in any event"?

* * *

Canadians have no intention of demanding anything from Great Britain—orders or anything else. But there are two aspects of the matter that the Ottawa Journal overlooks.

One is the fact that Canadian industrialists (anxious to get busy in the war effort; little concerned with profits and not at all concerned with profiteering) have been told week after week to hold themselves in readiness to produce shells and other munitions for the British Government. They have been encouraged to hire toolmakers, install new machinery and otherwise get ready. They have been told repeatedly that "within a few days" they would be needed; that Britain desired to utilize Canadian plants as a secondary, decentralized source of supplies.

Until last week the orders did not come. Those that did come were trifling in volume.

The second fact overlooked by the Journal is that this war may, in the end, be won not merely by the stocks of munitions now piled up in Great Britain but also by continuous supplies that will be available if violent fighting breaks out. No industry can start overnight to produce munitions. It takes weeks or months to get final production under way in any individual plant.

Eminent Britons as well as Canadians feel that there may unhappily come a time in this war when these weeks of delay will be viewed, in retrospect, as precious moments that have been in measure wasted.

* * *

The Canadian people are entirely behind the war effort. They are impatient to make contributions and sacrifices. Their own Government is imbued with something that is a mixture of maddening inertia and wise caution. The British Government is anxious to overlook no possible approach to victory but at the same time it desires to economize its resources to the limit. It, too, may be overcautious in the matter of preparation.

It is difficult to size up the precise present position in respect to British-Canadian economic co-operation in the war. But it would seem that Britain, in the Air Training Scheme at least, has made demands upon or at least suggestions to Canada that go beyond this country's immediate ability to finance. On the other hand our Government is not putting forward as positive an effort as it should. Thus many delays occur as protracted negotiations seek to bring Canada and Britain to common ground in their war plans.

There is nothing in this situation to suggest any ground for dispute or misunderstanding between the two Governments. But it does arouse the private citizen and the businessman to some impatience. They say, "Let's get on with the war." Not with bloody, useless land and air battles. But with the more humane warfare which consists of building up an unchallengeable economic superiority in stores and supply of materials.

* * *

Taxpayers Should Ask Seaway Questions

News dispatches from Ottawa and Washington say that the St. Lawrence treaty is nearer consummation than at any time in the past two decades. There is some prospect of a pact being signed before the turn of the year. The next step would be ratification by the Canadian Parliament and by the United States Senate.

But the withdrawal of opposition by Ontario's Premier Hepburn (which was the impelling factor in the present negotiations) does not mean that all the knotty problems which have plagued the St. Lawrence development for a score of years have been miraculously solved.

The Montreal Gazette refers editorially to some anti-seaway propaganda put out recently by the N. Y. State Chamber of Commerce in which recommendation is made for

(Continued on page 2, col. 4)

Bootleg Dollar Flow Brings New Ruling

Foreign Exchange Board Plugs Loophole Which Let Outside Currency Escape

To check a serious leak of foreign exchange from Canada and to facilitate the normal operations of various kinds of American and other non-resident businesses in Canada, the Foreign Exchange Control Board is now working out a new procedure.

Despite careful drafting of the Foreign Exchange Control Board regulations, it was found that large sums of foreign currency were continuing to escape from Canada. Further regulations, it is believed, will successfully halt this outflow.

The loophole through which Americans and other non-residents have been withdrawing funds from Canada was this: An American, for instance, has $100,000 on deposit in a Canadian bank. He goes to his bank and asks what they will pay him for these funds. The rate set by the Foreign Exchange Control Board means little or nothing to the U.S. bank. The official Canadian rate is now 11%, but a 14% or 15% rate is commonly experienced in the United States.

Makes Best Deal

The American bank is at liberty to make the best possible deal with their customer and may discount the Canadian funds as much as 16% or 17%. Finally, the American customer accepts $84,000 U.S. funds for his $100,000 Canadian. He issues a cheque drawn on his Canadian bank which he turns over to the American bank.

The U.S. bank then forwards this cheque to Canada and deposits it with its Canadian agents where they carry an ordinary account. The funds are still in Canada and have just moved from one bank to another, but there is a change of ownership in the United States.

The American bank now proceeds to sell Canadian funds and issue drafts to all and sundry at a discount of 13% or 14%, thereby making a very nice profit. Certain kinds of U.S. business having dealings in Canada have been paying their Canadian bills with drafts purchased under such circumstances.

The Foreign Exchange Control Board considers this is paying in bootleg dollars as it actually represents an export of Canadian dollars, the very thing the Board has been set up to prevent.

To cover this situation one of the most recent orders of the F.E.C.B. states: (21B) No person shall perform services in Canada for a non-resident, and no person shall perform services outside Canada for a non-resident, otherwise than for payment in foreign exchange of not less than the fair value thereof, unless exempted by the Board.

It is believed the Board may set forth that all types of such transactions should hereafter be made (1) By cheque drawn in Canadian funds against an established banking account maintained in Canada with any chartered bank, or (2) by draft or cheque for the Canadian equivalent payable in U. S. funds.

This procedure is designed to place all such transactions on a basis which can be controlled by the Board and at the same time eliminate the carrying on of such transactions at bootleg rates of exchange.

Ottawa Eager to Tap New Export Marts

Steps Taken to Bid For $257 Millions of Latin American Business Likely to Be Lost to Germany By Blockade

From Our Own Correspondent

OTTAWA.—Britain's blockade of Germany's exports has electrified Canada's trade intelligence corps.

A golden prize of $257 millions per year now dangles in front of the exporters in countries able to serve South America and Mexico. In many respects, indeed in vital respects, Canada is better placed to compete for this business than any other country in the world.

Hon. W. D. Euler, minister of trade and commerce, his trade experts and more than a score of trade commissioners scattered over Europe and South America are working full speed to clear the way for a drive by Canadian export industries.

Tremendous difficulties have to be faced, but they are offset, to some extent, by advantages. As The Financial Post stated last week, war has revolutionized the export trade of the world. War has brought with it all manner of currency and exchange problems, a new deluge of restrictions, licensing regulations and quotas.

Great Opportunity

But the opportunity exists for a great forward stride in Canada's industrial export business and the Trade and Commerce department is doing its utmost to gather all the data essential to achieve it.

The first step was to assess, in terms of Canadian dollars, the annual export business of Germany to Mexico and South America. This total is $257 millions per year. Next, it was essential to examine this trade in detail and discover the variety and quality of the goods exported by Germany.

Then the reverse side of the picture had to be examined, to see how these countries paid Germany for the goods she sold to them. And, finally, the trading regulations of each of the countries had to be studied and summarized.

While Canada is best placed of all industrialized countries to capture the lion's share of this South American business, there are undoubtedly many formidable difficulties to be surmounted.

Disposition of Trade

The countries receiving the bulk of Germany's exports to Latin America have been:

	Millions of $
Brazil	65.2
Argentine	59.5
Venezuela	15.5
Uruguay	14.5
Mexico	18.5
Peru	12.5
Chile	36.6
Colombia	16.6
Guatemala	5.0
Bolivia	3.8
Ecuador	2.9
Costa Rica	2.8
El Salvador	1.3

Approximately the same range of manufactured goods has been exported by Germany to all these countries. The chief items are: Coal, coke, pharmaceutical preparations, electrical appliances, iron goods, automobiles, locomotives, wrought iron, machinery of all kinds, sheet iron, leather working machinery, machine tools and chemical products.

Germany, of course, has dealt with these countries on the barter system. In return for her exports she has taken cotton, coffee, corn, wheat, wool, oil seed, tin, lead, nitrogenous fertilizers, copper, cocoa, tar and petroleum. Obviously there are many items here which would be superfluous in Canada but if the list is examined it will be apparent that Canada is more complementary in trade with these countries than is the United States.

Varied Problem

It is thought possible that a substantial increase in export business can be achieved without recourse to special measures. But there are many aspects to the problem which Ottawa has in mind and with respect to which the fullest co-operation will be given to any Canadian manufacturer.

Canada imports quantities of corn and of wool. But on both items there is a British preferential tariff which tends to exclude South America from our market. In practice, the Dominion must obtain the permission of the Government of South Africa before this preference can be waived and the chances are that if real prospects develop, an effort to waive the preference will be made.

Experts Confident

Most of the Latin American countries, particularly Argentina, have a blocked currency system under which imports and exports to and from other countries must virtually balance. But trade experts here are confident that war conditions will develop in a manner advantageous to Canada.

One way or another, Britain will continue to purchase substantial quantities of produce from South America. Britain has a system under which her exporters are in a privileged position with regard to such balances of exchange as may be created in this way.

Chance for Canada

British exporters have the right to ship goods in payment for any such balance—provided they have the goods to ship. If not, it is presumed that Britain would have the right to nominate the exporter. If so, it is thought very probable that any British industry which possesses a branch plant in Canada will turn over business which (owing to the war) it cannot accept, to its Canadian subsidiary.

Authorities Speed Deal On Seaway

International Agreement Believed Possible Before New Year

From Our Own Correspondent

OTTAWA. — Confirmation was obtained here this week of recent dispatches of the Washington correspondent of The Financial Post, with respect to the St. Lawrence Waterways negotiations. The speed with which these negotiations are proceeding is not commonly known. Failing an unforeseen hitch, a treaty is certain to result in time for submission to the coming session of Parliament.

The treaty, presumably, would likewise go to the U.S. Senate early in the new year.

Negotiations have been proceeding here on two fronts. Dr. T. H. Hogg of the Ontario Hydro is acting for the Hepburn Government and has been frequently in the capital. Agreement between Ottawa and Queen's Park, Toronto, is clearly in sight. Indeed it is possible that an agreement will be announced before Christmas.

Negotiations are proceeding with equal speed at Washington. Canada has at Washington as minister, Hon. Loring Christie, who has been intimately associated with St. Lawrence power and navigation developments for many years. He was for some time associated with the Beauharnois Power Company.

The general understanding here is that the treaty will cover the full range of navigation and power problems on the St. Lawrence and the Great Lakes. It will cover the development at the International section of the river as well as the all-Canadian development at Lachine. It will approve of the diversion of water into the Great Lakes from the Ogoki River. It will include an agreement for the conservation of Niagara and will terminate the long wrangle over the diversion at Chicago.

The general understanding here is that the negotiations with Ontario have the priority. This agreement will be concluded before the treaty with Washington. Both are now within sight of complete success.

Highlights

How long a war lies ahead of Canadian industry, business and the country generally? The conflicting views of three authorities specially qualified to discuss the questions, with the arguments they marshal to point to a long, a short and a medium length war, are presented in a full-page canvass of this major uncertainty. *—p. 11.*

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Stocks in the "junior golds" group currently show earning power that is phenomenally high, especially in relation to their market levels.
Junior Golds—p. 19.

* * *

Outlay at Ottawa for the regular functions of Government, apart from war purposes, shows wide gaps between the pledges and performance of economy to be effected in routine expenditures.
Ottawa's Thrift Vows—p. 20.

* * *

Bonds are excluded completely from the portfolio submitted by Brian N. Barrett with his honorable mention entry in The Post's "Investing in Wartime" contest.
Investing in Wartime—p. 14.

* * *

Exchange control in Canada by now has reached a more or less settled basis. How it has developed and what it means are clarified in a comprehensive survey.
Exchange Control—p. 10.

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Canada at War

Do's and Don'ts on Exchange—p. 10
How Long the War?—p. 11
Investing in Wartime—p. 14
War Charities Act—p. 3

Aluminium Ltd. Output Up 15%

From Our Own Correspondent

MONTREAL.—Aluminium Ltd.'s plant operations this year are on a more extensive scale than a year ago. For the year to date production has been running about 15% ahead of 1938, when, for the full year, the company produced 64,500 metric tons of aluminum.

Reported share earnings on the common stock may not show an increase, however, because of the 10% common stock dividend paid earlier this year and because of adjustments arising out of the company's international business.

Dosco Steel Capacity Boosted Over Third

New Furnaces to go Into Operation Early in 1940 Will Permit Ingot Output of 580,000 Tons —Expansion Costing $1.5 Million

From Our Own Correspondent

MONTREAL.—Dominion Steel and Coal Corp. will increase its steel ingot capacity early in 1940 to 580,000 tons annually, compared with present rating of 425,000 tons. The jump of 155,000 tons in capacity amounts to over 36%.

This is one of the outstanding industrial developments in the Dominion in recent years. For months the corporation has been preparing for this step. The whole plant at Sydney has had to be adjusted to provide for the increased capacity, new machinery installed, etc.

To increase steel productive capacity, Dosco will bring into operation within the next few weeks two new open hearth furnaces, which have involved an outlay of $1.5 millions. They will replace several small open hearth furnaces, which will be held in reserve.

Will Use All Equipment

By next spring the third blast furnace will be in operation. At present the company is operating two furnaces, the one now being prepared for regular operation being held in reserve.

Along with these developments it is learned that a third battery of coke ovens will be put in service at Sydney. These ovens have lain idle since 1924 and when put in use, will mean the utilization of all coke making facilities.

Widen By-product Field

The extension of coke operations also brings into play an important new development. Hitherto a limited number of by-products have been produced from the coke ovens, mainly sulphate of ammonia, light oil and tar. Plans have been made to increase the by-products which are capable of extraction from coke.

The Koppers Co. of Pittsburgh is now engaged in setting up light oil refining units and by-products equipment at Sydney. This work will be finished, according to present schedule, by next March.

With the new additional equipment Dosco will be able to extract benzol and other derivatives from coal and for which there is a ready and strong market—a market widened by war conditions.

Sydney Over Capacity

This notable expansion of productive facilities implies a capacity demand for the output of the Sydney Works. Since last May Dosco's steel plant has been working at better than capacity—from 102% to 106%. During 1938 steel operations averaged 82% of rated capacity and in 1937 around 107% of capacity.

For the current year approximately 50% of the total iron and steel output has been for export purposes. It is understood that British buyers will take from Dosco all the production that can be spread over and above domestic needs. This condition will continue indefinitely, or at least until the war is ended.

Dosco is also working on a rail order for the South African Government. This is part of the contract placed a short time ago jointly with company and Algoma Steel Corp. In addition it is rolling rails for the Canadian National Railways.

All Departments Busy

There is a strong demand for nails, wire, fencing and other products from domestic and export sources. James Pender and Co., St. Lawrence Wire, Graham Nail and Wire, Security Fence, Sarnia Fence, Peck Rolling Mills and other subsidiaries report a good volume of business.

At the Border Cities, the Canadian Bridge Co. has several big contracts on hand and will be busily engaged in handling current business for some time.

Halifax Shipyards, another Dosco subsidiary, is not doing any building, but has a number of repair jobs. This unit has experienced a very good year to date and operations should be well maintained for some months to come.

Shipping Affects Iron Ore

There is nothing definite to report on the iron ore business at Wabana. Last year production ran up to

(Continued on page 2, col. 7)

Plan to Protect Labor Jobless After War

From Our Own Correspondent

OTTAWA. — The War Supply Board, with the approval of the Government, is working on a savings scheme to protect wage-earners in war work.

The scheme which is being considered follows very closely the group annuity plans which have been widely adopted by industry throughout Canada in recent years. These annuities are sold by the annuity branch of the Labor Department.

The object of the officials of the Board who are now considering this move is to carry war workers through the unemployment and adjustments of the post-war period.

In all probability the basis of annuities hitherto sold to industries would have to be modified to meet the conditions of wartime employment. Employment in war industry would not be as permanent as is employment in normal industry and the contracts would have to be calculated on a shorter basis.

No legislation for this scheme will be needed. Once the War Supply Board makes up its mind to adopt the group annuity method of unemployment insurance, clauses will be inserted in all war contracts compelling employers to adopt it. No doubt, as a result, the cost of war supplies to the Government would be higher but this would be a small price to pay, in Ottawa's view, for the benefit which would be received

As the period of employment in war work is not likely to be nearly as long as in normal industry, it is evident that the savings element will be much more important than the annuity one. Unless the annual contributions were very high, few employees would be able during a three or four-year war to pay in enough to give them an annuity for any great length of time.

They could, however, accumulate a considerable savings account which would be useful if they should become disabled, or when they lose their job as a result of the war coming to an end.

While details have not been announced as yet, it is understood that employees in munitions plants will, under the scheme, contribute a part of their weekly earnings. The employer working on a Government contract will also be asked to contribute and the whole will be invested by the annuities branch, in the usual way. Interest on the deposits so made will be allowed at 4%.

The accumulated savings it is understood can be withdrawn at any time although efforts will be made to have the fund used only in case of emergency such as disablement or when war work ceases. When withdrawn it may be paid out either gradually in the nature of a weekly or monthly income, or as a lump sum.

In this way it will prove a backlog for the munitions worker who at the end of the war may have difficulty for a time in getting employment. It would also be available for his estate in event of death.

In some of the contracts which had been entered into between private companies and the Annuities Branch, previously, the employee pays in 4% of his weekly earnings and the employer contributes the additional amount to bring the total up to the necessary level to provide the desired annuity at a stated age, say 65. But these plans are mostly based on the expectation that the contributions will be made over long periods.

Coming In The Post

A plentiful supply of power is an essential to a modern industrial nation. With war accelerating the demand, how does Canada stand? A round-up of the whole situation will be contained in The Post next week.

And next week more honorable mention entries in the investment contest.

C.B.C. Not Subject to Montreal Sales Tax

From Our Own Correspondent

MONTREAL.—According to a decision of Justice H. A. Fortier in the Superior Court here, the Canadian Broadcasting Corp. is an emanation of the Crown and is not subject to the Montreal sales tax.

Pacifist Agitation Phase Of Broader Red Gospel

The Red influences, linked with the "Witness Against the War" statement sponsored by a number of United Church clerics, are but one phase of the broader Red-tinged movement known as Christian Socialism.

As brought out in The Financial Post last week, the "Witness Against the War" was chiefly promoted by three clergymen enrolled in the Fellowship of Reconciliation. The United States wing of the F. O. R., with which the Canadian group is closely associated, is identified by a leading authority on radicalism as "a radical-pacifist organization . . . employing Christian terms to spread communistic propaganda." A number of signatories are associated with the F. O. R. or with the Fellowship for a Christian Social Order, in some cases both groups.

Evidence was cited of the leftist leanings of the F. O. R., the F. C. S. O. and of leading figures in both groups. The factor of Red influence and sympathies in the background of the Canadian pacifist declaration marks it as a facet of the "Christian Socialist" agitation.

Swinging far to the left, the movement has been extensively utilized by agents of the international bandits at Moscow. Its "fellow travellers" along the Moscow-drawn party line have proved useful to the Reds in attracting adherents for the "united democratic front." In many cases the position of clerics or college instructors has lent a respectable air to the advocacy of Communist policies.

Links With Movement

In fact, there are several links between the "Witness Against the War" and the broader movement that seeks to veneer Marxist dogma with Christian doctrine. Rev. R. E. Fairbairn of Bracebridge, an F. O. R. member, drafted the original text of the "Witness Against the War." Rt. Rev. Richard Roberts, former moderator of the United Church of Canada and one of the founders of the F. O. R. in England, some years ago was also a signatory of the "Witness."

The names of both Mr. Fairbairn and Dr. Roberts appear prominently in a volume strongly infused with pro-Red pleading and notable for its efforts to reconcile Christian teachings with leftist agitation. Entitled "Towards the Christian Revolution," it was in the form of a symposium published several years ago by an American firm, though all the contributors were Canadian clerics or university professors. The preface noted that all contributors belonged to the United Church.

Dr. Roberts appeared as author of the foreword and endorsation for the book. Though he confessed frankly that he had "not read the whole book," Dr. Roberts pronounced without qualification that "the purpose of this book is to show the way to a Christian world." He also averred in regard to the authors that it would be difficult to find "a group of men more passionately desirous of creating a world after the mind of Christ."

Unread But Approved

"I commend this book," he declared, "to all persons who are concerned for the coming of the Kingdom of God in this world of man."

Did Dr. Roberts's appraisal of the book apply to the parts he found time to read, or to the whole book? Various passages seem to clash violently with the book's supposed aim to "show the way to a Christian world." Such passages call for a revolutionary change of the social order. They are capped by sympathetic analysis—even commendation—of Marxist-Communist manifestoes.

One of the most outright efforts in the book to jam Red doctrine into the structure of Christian beliefs was written by Eugene Forsey, identified in the list of contributors as sessional lecturer in economics and political science at McGill University. Appearing on page 139 at the start of a section headed, "The Necessity of Socialism," the passage lays down this astonishing doctrine:

"This generation seeketh after a sign, and there shall be no sign given it but the sign of the prophet Marx. Until Christians learn to understand and apply the lessons of Marxism they cannot enter into the Kingdom of Heaven—nor, probably, can anyone else.

"Only the capture of political power and the transfer to the State of at least the main industries and services now in capitalist hands can bring in the new economic order. The new society must be socialist through and through."

Deceptive Creed

Mr. Forsey contributes two lengthy chapters to the book, on "The Economic Problem" and "A New Economic Order." Throughout them he espouses the creed that everyone but a handful of sinister capitalists is being exploited; that radical-socialist action is needed to revamp the present order on a more ideal basis; and that Soviet Russia has found a desirable solution.

From his commendation of Marx is one to assume that Mr. Forsey supports the Marxian theory that seizure of power with violence is unavoidable in replacing the capitalist system?

At the conclusion of his "Economic Problem" chapter Mr. Forsey says:

"It is becoming more and more apparent that the Soviet Union is succeeding in building a new society, where the whole produce of labor belongs to the workers collectively, where unemployment and restriction of produc-

(Continued on page 2, col. 1)

East Malartic Betters Status

Treasury Surplus of $100,000 at End of November After Cost of Mill Addition

A definite improvement in the fiancial position of East Malartic Mines has been realized in recent months and a surplus of $100,000 was in the treasury at the end of last November, M. A. Thomson, a director informs The Financial Post. Further improvement has been shown since November.

This represents a great betterment of affairs since milling operations were commenced Nov. 1, 1938. At that time, there was $300,000 owing to creditors as well as a bank loan of $400,000. In addition to retiring the bank loan and all but current accounts, the company has financed a mill addition at an estimated cost of $100,000 to $120,000.

The 50% mill increase to 1,500 tons had not gone into effect when Mr. Thomson was in touch with the property this week, but the enlarged capacity should be in effect very shortly, he stated.

More Newsprint Turned Out

Canadian Returns Are Well Ahead of Last Year — Stocking Up Indicated

From Our Own Correspondent

MONTREAL. — Canadian newsprint mills turned out more paper in November than in the previous month or the same month a year ago, while shipments continue to hold at a high level and considerably above the 1938 figure.

Last month Canada produced 288,726 tons, compared with 245,295 tons in November last year, according to returns compiled by the News Print Service Bureau. Mill operating ratio jumped to 79.7%, the highest reported since the end of 1937.

Production for the first 11 months of this year now stands at 2,628,610 tons. This contrasts with 2,414,827 tons for the like period a year ago.

It now appears likely that output for the full year will approximate earlier estimates of 2,850,000 tons. For all of 1938 Canadian mills produced 2,624,580 tons.

Christmas Shopping

Christmas, like business and investment, brings its own peculiar problems. During the year The Financial Post is helpful in these latter fields, keeps its readers posted on the rapidly changing face of Canadian affairs.

At Christmas time it renders a seasonal service. For the busy man and woman, to whom the management of bonds, stocks, mines, and the pursuit of political knowledge are unremitting cares, The Post makes gift suggestions.

Answers to the annual Christmas problem, what to buy for a host of relatives and friends, will be found in The Post's advertising columns.

See Currency Holding Own

Position Midway Sterling and U. S. Funds Expected to Be Maintained

Ever since the Foreign Exchange Control Board began to operate in September, the Canadian dollar has been pegged at a rate of $1.10 to $1.11 for the United States unit and at $4.43 to $4.47 for the pound.

Many businessmen are now wondering whether there will be any change.

Few of those conversant with exchange matters will hazard a guess, though advices from Ottawa suggest continuance of the status quo.

They say that with the Foreign Exchange Control Board operating it is useless even to speculate on what might happen. The Board will be actuated by the needs of the moment and government policy rather than factors which usually might have some effect.

In normal times there are certain factors that have a direct bearing on the rate of exchange between countries. One of the most important is the balance of payments. In Canada in recent years heavy exports of farm products, gold, lumber, base metals, and manufactured goods have helped our trade position materially. A good tourist trade has been another favorable factor. The result has been that the Canadian dollar has kept almost at par with the United States currency and, at this time of year, owing to heavy wheat shipments, it has often gone to a slight premium over both New York and London.

Sympathetic to Sterling

At the same time owing to the position of Canada in the British Empire, our dollar has usually been sensitive to any important change in the rate on sterling.

Consequently, when, at the beginning of the war, the pound fell to below $4 at New York, the Canadian dollar was affected.

There were a number of factors at work in both cases. The pound itself had been weakened previously by an adverse trade balance with United States and the long flight from sterling and sterling securities. Then, too, while Great Britain in the last war at an early stage had raised large credits in the United States, on this occasion she was prevented doing so partly by the Johnstone Act and partly by the Neutrality Act.

As regards the Canadian dollar many people remembered how in the last war Canada had spent billions of dollars and increased her national debt enormously with the result that her dollar went to a sharp discount under New York after the war. They felt that they would probably see a repetition of these conditions. Consequently before the Foreign Exchange Control Board began to act, many sold Canadian exchange and turned the money into United States securities. Canada's strong trade position was overlooked. Now that conditions are more stable, some are looking for a smaller premium on United States dollars. In some quarters it has been estimated that this may be reduced to around 5% as against the 10% to 11% quoted by the Board at present.

Lower Discount Unlikely

Students of the exchange markets say that the fact that the discount on our dollar in the free, black market at New York is around 13% to 14% does not point to the rates quoted by the Exchange Control Board as being excessive. They say that rather does it indicate a measure of support by the Board. Hence they do not feel that a rate of 5% or 6% is likely in the near future, except in event of some unexpected developments.

Moreover, with Great Britain likely to be a large purchaser in Canada, many feel that co-operation and our own best interest demand that the rate on the Canadian dollar be held about midway between the New York rate and the pound.

According to this view much depends on the trend of the pound. If Great Britain were to arrange large credits in the United States which would strengthen the pound, it would probably mean a corresponding strengthening in the Canadian dollar.

Honey Dew Ltd. To Offer Bonds

Will Give Shareholders Prior Chance to Buy 6% Seven-Year Debentures

Shareholders of Honey Dew Ltd. will shortly be offered prior opportunity to subscribe to an issue of 6% seven-year debentures to provide for expansion and modernization of the company's stores. Authorized amount of the issue is $200,000. The debentures will be convertible on the basis of five shares for each $100 debenture. E. P. Taylor, president, states that conversion option will be of value if the company continues to progress as the directors expect.

Mr. Taylor states that the company has been laying the foundation for the creation of a successful business for five years. Preliminary steps, including elimination of unduly high rentals and simplification of the capital structure have been taken to make new financing practicable.

Rebuilding of the company's earning power was expressed in the last annual report as dependent upon accelerating shop modernization. Mr. Taylor says that during the past two years the company has modernized a number of premises to test this belief, and results have been gratifying to the company.

Nine locations have been modernized, Mr. Taylor reports, and modernization of the remaining premises is predicted. Later it is the intention of the company to increase the number of stores.

Financial statements of the company are reviewed under Company Reports.

Annual meeting of shareholders will be held in Toronto Jan. 16.

EATON'S★

Christmas GIFT BOXES of FOOD

★

EATON'S ARE PARTICULARLY FITTED TO HANDLE ALL DETAILS . . ON LARGE OR SMALL ORDERS.

SAMPLE HAMPERS
Recommended by
Neighbourhood Workers

HAMPER NO. 9
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1 peck No. 1 Potatoes
2 tins Peas
1 tin Tomatoes No. 2½ tin
2 tins Peaches, No. 2 sqt. tin
1 doz. Oranges
1 pkg. No. 1 Apples
½ lb. Coffee
1 pkg. Jelly Powder
1 jar Jam with pectin, 32 oz.
2 lb. Christmas Pudding
1 lb. Seedless Raisins
1 lb. Dates
1 lb. Candy
2 lb. Granulated Sugar
1 lb. Choice Mixed Nuts
1 lb. Sliced Bacon
1 lb. First Grade Creamery Butter
6 lb. Roasting Beef

HAMPER NO. 10
$5.70

1 peck No. 1 Potatoes
2 tins Peas
2 tins Tomatoes No. 2½ tin
2 tins Peaches, No. 2 sqt. tin
1½ doz. Oranges
1 pkg. No. 1 Apples
½ lb. Coffee
2 pkgs. Jelly Powders
1 jar Jam with pectin, 32 ozs.
3 lb. Christmas Pudding
1 lb. Seedless Raisins
1 lb. Dates
1 lb. Candy
2 lb. Granulated Sugar
1 lb. Choice Mixed Nuts
1 lb. Sliced Bacon
1 lb. First Grade Creamery Butter
9 lb. Roasting Beef

WHETHER it be a single food hamper or fifty, whether it be one you plan to give personally or a larger order for an organization, EATON'S will certainly be of great assistance in taking care of all the details.

A whole booklet of suggestions is yours for the asking, which includes Christmas hampers for practically every size family, fruit baskets and Christmas Stockings for the kiddies.

All orders for hampers are attractively packed in new cartons — enclosure cards supplied and with city wide Toronto and suburban delivery service, you are assured of dependable delivery when and as required.

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THE T. EATON CO LIMITED

Pacifist Agitation Phase

(Continued from page 1)

tion are unknown, and where the standard of living is rising. How long can the world continue economically 'half slave and half free'?"

This is a fair sample of the material appearing in a book which Dr. Roberts, signatory of the "Witness Against the War," commends as showing the way to a Christian world.

Fairbairn in Book

Rev. R. E. Fairbairn, author of the "Witness Against the War," appears in the book as contributor of a section of the chapter on "The Church's Rôle." The central theme of his offering is embodied in this concluding passage:

"What the world situation calls for is an aggressive campaign sweeping all countries in which Christianity or Judaism is free to act, challenging men who profess allegiance to God or Christ to give account of their faith in terms of action for social transformation. . . . If, however, churches hang back, irresolute and afraid, they will have no right to condemn more forthright movements which do not hesitate to use bloody violence to blast a way through the resistance of the privileged.

"For whether peaceably and by consent, or bloodily and through civil war, it is written that there is to be radical change."

To many it will seem strange for a minister of the Gospel—and a pacifist to boot—to deny to churches their right to condemn resort to violence, merely because they do not see the same need as the Christian Socialists for sweeping social reconstruction.

Revolutionary Approach

The need for both understanding and use of the revolutionary approach is stressed in another section of the chapter on "The Church's Rôle." This section was contributed by J. W. A. Nicholson, listed as minister of the United Church at Bedeque North, P.E.I. He says:

"The gospel (of Christ) is primarily a vision and promise of social salvation having implications for the individual life. . . This Christian gospel is in its nature revolutionary. To get back to its primal essence will require revolutionary energy and action."

The book includes an entire chapter on "The Marxist Challenge," contributed by an unnamed author using the nom de plume, "Propheticus." While this chapter suggests that the conscientious Christian may halt short of joining the Communist Party, it strongly hints at similarity of objectives between Marxist-Communist doctrine and Christianity. The chapter consists largely of sympathetic quotation and explanation of Marxist writings and the Communist Manifesto.

"War to the Death"

The anonymous "Propheticus" concludes that Christians must denounce and change the existing structure of society. He argues that there must be "war to the death between real and unreal religion, even if it should cleave organized Christianity in two and destroy all its existing forms."

"Towards the Christian Revolution" was edited by Gregory Vlastos, associate professor of philosophy at Queen's University; and R. B. Y. Scott, professor of the United Theological College, Montreal. Both also contributed to the symposium. In addition to Messrs. Forsey, Fairbairn, and "Propheticus," other contributors included:

John Line, professor of the history and philosophy of religion, Victoria College, Toronto.

J. King Gordon, travelling secretary of the Fellowship for a Christian Social Order and onetime professor at United Theological Order.

Eric Havelock, associate professor of classics, Victoria College, Toronto.

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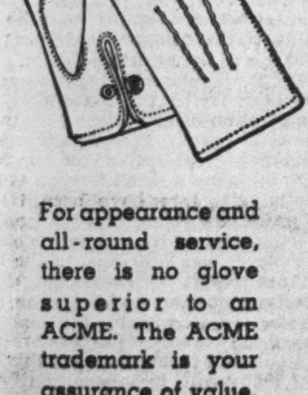

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Nfld. Revenues Rise Sharply

Business activity in Newfoundland is running at a higher level than a year ago and this is being reflected in revenue returns of the Commission of Government.

Revenue receipts in November recorded a sharp increase, amounting to $1,234,428 as compared with $1,131,420 in the same month last year. These were mainly larger customs collections, the rise in this source of revenue being $102,342. In fact, customs receipts in November were of record proportions.

Imports recently have increased as a result of the greater business activity and this has resulted in larger customs receipts. The larger yield of ad valorem duties due to higher prices have also been an important factor.

Expenditure figures for November indicate the Government has lost no time in putting into effect its war economy programme. General expenditures for the month were on about the same level as in 1938, showing an increase of only $6,727 to $1,160,650. In the previous four months there had been an increase of $706,506.

The outlook for the remainder of the year is regarded as favorable. The iron mines at Bell Island are operating at capacity as is the Buchans lead-zinc mine.

As a result of the increased demand for newsprint and sulphite pulp, the plants of Anglo-Newfoundland Development Co. and Bowater's Newfoundland Pulp and Paper Mills are operating at capacity.

Niagara Wire Weaving Boosts Common Dividend

From Our Own Correspondent

MONTREAL.—Reflecting increased activity in the newsprint industry, Niagara Wire Weaving Co. has declared a dividend of 35 cents a share, payable Jan. 2 to shareholders of record Dec. 15. This compares with a quarterly rate of 25 cents a share previously in force.

Niagara Wire Weaving is one of the more important manufacturers of Fourdrinier wires, essential to the manufacture of newsprint paper.

Hon. Eric Hamber Joins Canadian Pacific Board

From Our Own Correspondent

MONTREAL.—Hon. Eric W. Hamber, Lieutenant-Governor of British Columbia, and C. Blair Gordon, president of Dominion Textile Co. and directors of the Bank of Montreal, have been elected directors of the Canadian Pacific Railway. They fill vacancies caused by the deaths of James A. Richardson and Lord Shaughnessy.

Canada Iron Foundries Makes New Algoma Mill

The new sheet mill required for the addition to sheet and tin plate capacity of Algoma Steel Corp. is to be made in Canada by Canada Iron Foundries, Ltd. The new mill will be engineered by the Lewis Foundry & Machine Co., Pittsburgh, and made in Canada under the manufacturing agreement held by Canada Iron Foundries. Algoma's total expenditure will be $1 million, most of which will likely be required for machinery.

The Nation's Business

(Continued from page 1)

"a non-partisan economic and engineering survey of the entire St. Lawrence project before any international agreement is concluded."

The New York Chamber wants a study of the economic effects of canalization on the railways and an appraisal as to whether the cost of the canal would be justified in the light of prospective use of the waterway; if so, whether farmers or foreign grain buyers would be the chief beneficiaries.

It also urges a study of the economic pros and cons of hydro-electric vs. steam power.

* * *

The Post has repeatedly urged a proper study of the economic aspects of the St. Lawrence Seaway, as long overdue.

No adequate appraisal has ever been made by Canada of the true "burden and advantage" of the seaway as a navigation project. Western farmers have traditionally favored its completion (as they did the Hudson's Bay Railway) because they believe it would cheapen the cost of moving grain to world markets. Towns on the Great Lakes also want to become "ocean ports." They show little or no interest in whether these benefits are to be bought at too high a cost.

In a transportation project such as the Hudson's Bay Railway or the St. Lawrence Seaway, there are always ma: people who can visualize real or supposed advantages. But taxpayers at large are handicapped in getting the other side of the story once politicians get in their teeth the "bit" of an avowedly great national development such as the St. Lawrence seaway.

For example, mention has scarcely been made of the fact that if the St. Lawrence is deepened to 27 feet, all municipalities bordering along the 2,000 mile route will demand at once the expenditure of public funds to dredge their harbors to the new depth. The cost of this one item might well be several hundreds of millions of dollars. This would be a direct drain on the public purse unless accompanied by proper and adequate tolls and levies.

* * *

In the realm of power, it is presumed that a competent organization such as the Ontario Hydro-Electric Power Commission would not make its commitment without weighing the relative cost and advantage of the St. Lawrence as compared with other alternate sources of power. Thus the danger of making a serious mistake in a St. Lawrence power project is much less than the danger of venturing into an uneconomic St. Lawrence seaway project.

It is Ontario's need for more power that is bringing the St. Lawrence treaty into focus. That the province must quickly seek new sources of power is unquestioned. But taxpayers may rightly ask what will be the cost of this development, to them, in terms of national transportation policy.

* * *

Censorship May Suffer By New Personnel

Appointment of Walter Thompson, commissioner of publicity for the National railways, as chairman of the newly-created Bureau of Information, reveals Governmental awareness that the extent of Canada's war effort is not being adequately publicized throughout the country. This inadequacy, it is realized, is not due to any lack of co-operation on the part of the press but to the failure of the various ministers and departments to make available the facts with respect to the part this country is playing in the war.

Since the first week of the war, Mr. Thompson has been the chairman of the Censorship Co-ordination committee, a post which he now relinquishes.

Succeeding Mr. Thompson as chairman of the censorship committee is Col. M. A. Pope of the National Defense department. Without reference to Mr .Pope's qualifications, this appointment is generally regarded among newspaper people as highly unfortunate.

Since the censorship committee has been functioning there has been a constant and very widening stream of criticism. The censors, it is alleged, have used their power arbitrarily, often foolishly. Any number of instances could be cited. It is well known, for example, that Canadian newspapers have repeatedly been forbidden to publish information which has been published in the United States and widely read in this country in imported news sheets.

The censorship committee, however, is served by a staff including some of the best newspapermen and publicity men in the country and the explanation of the mistakes and errors of judgment which have been made lies not so much in the personnel of the committee but in the pressure which has been applied, successfully, for the suppression of information.

* * *

This pressure, in the main, has come from the National Defense department — from the ranking officers of the services. The chief criticism to be made of the censors is that they have not been able to resist this pressure, although there is little doubt that they have fought the military every step of the way.

One instance of the lengths to which the military mind would apply suppression is the reported case when the navy actually demanded the suppression in Canada of a statement issued by the British Admiralty. On another occasion, a newspaperman was reprimanded, upon the urgent request of the military, for publishing information drawn from the debates in the British House of Commons.

But if the censorship committee was unable to resist the demands of the military when it was captained by civilians, what chance will there be when the chairman of it is a soldier?

That is the question which has arisen with respect to the appointment of Col. Pope.

The appointment has caused considerable surprise, especially as the Government is known to be opposed to the suppression of news except in clearly defined cases where it would be of assistance to the enemy or would diminish enthusiasm for the war in this country.

* * *

Canadian Wage-earners Take a Bow

Tribute to the efficiency and stability of Canadian labor was paid this week by C. H. Carlisle, president of the Dominion Bank.

Said Mr. Carlisle:

"We have another asset which we must not overlook or fail to appraise—that is Canadian labor. Canadian labor is to be congratulated for the soundness of its principles, its efficiency in production, in the part it has played and is playing in the up-building of our country.

"A better understanding may be had when we make comparisons with other countries where strikes are called without just cause, where plants are forced into idleness, throwing thousands of people out of employment, causing losses of millions of dollars to both employer and employee, where property rights are violated and men are deprived of the right to work."

From his extensive experience in industrial management, Mr. Carlisle summarizes in a few words the principles essential for happy and prosperous trade relationships. These he defined as follows:

"A happy condition can only exist, and public confidence can only be secured, when the business executive, the laborer and the farmer continually and unitedly strive to improve products, to lower costs, to price products so that the consumer may enjoy and have the things which are his right.

"But labor and management should constantly keep in mind that the consumer determines the number of people employed."

Mr. Carlisle has long practised what he preaches in respect of labor-management-consumer relations. As a result the enterprises with which he has been associated have been increasingly profitable not only to shareholders but to the men and women who work therein.

New Ontario Loan Reflects Rise in Bond Interest Rates

Good reception is reported for the offering of $12 millions of Province of Ontario debentures by a syndicate headed by Wood, Gundy & Co.

The issue consisted of $3 millions of 4¼-year 2½% debentures, offered to yield 2.65%, and $9 millions of 12-year 3½% debentures offered at 99.75 to yield 3.52%.

This is the second loan flotation made by Ontario since the outbreak of war and indicates the cost of financing by provincial governments is rising. In June last, however, the province sold $10 millions of 15-year 3% bonds to yield 3.02%. Thus, the cost has gone up by ½%.

Sale of this issue eliminates the necessity of additional financing by Ontario in the near future. It should be possible for the province to refrain from making loan offerings to the Dominion Government's first war loan.

Flotation of the loan came as somewhat of a surprise. When the province sold an issue of $8.6 millions at the end of October it was stated proceeds of that loan would take care of bond maturities up to June 1, 1940. Proceeds of the new loan will put the province in a strong cash position.

Debt Increases

Gross funded debt of the province as at Nov. 30, 1939, after giving effect to this financing, is shown in the prospectus at $629 millions. This compares with $607 millions at March 31 last. Unfunded debt, consisting of treasury bills, savings office deposits, special funds, etc., totalled $118 millions at Nov. 30 as against $107 millions eight months earlier. Funded and unfunded debt after deduction of sinking funds shows an increase of $33 millions to $736 millions.

Success of the recent issue reflects the strong credit position of the Ontario Government. In fact, Ontario enjoys a higher credit standing than any other province.

This reflects an improved budget position. In each of the past three fiscal years Ontario has had a surplus on ordinary account after providing for relief expenditures. In the year ended March 31, 1939, the surplus amounted to $322,495 as compared with $4.6 millions in 1937-38 and $9.3 millions in 1936-37.

Still Expect Surplus

For the current year the Ontario Government brought down a budget forecasting the largest ordinary revenues and expenditures in its history. Surplus for the year was estimated at $151,000.

Hiram Walker Scottish Plant Closed by War

U. S. Sales Outlook is Improved With Introduction of New Lines

Production of Hiram Walker-Gooderham & Worts Limited during the year ended Aug. 31, 1939, at Peoria was lower than in previous years because of restrictions on production. At Walkerville and Toronto, operations were at practically the same level as in 1938, according to information given shareholders by H. C. Hatch, president, at the recent annual meeting.

The Dumbarton plant in Scotland operated continuously throughout the year but, Mr. Hatch states, was closed at the end of October as a result of the action of the British Government in commandeering all grain supplies in the United Kingdom, except home-grown barley. In common with other malt distilleries, Glenburgie and Milton-Duff, the company's plants in the north of Scotland are still operating and may be able to continue well into next year.

Mr. Hatch states that the industry was fortunately situated in that stocks were at or near an all-time peak when the war started. Because of increased consumption, however, "shippers are actually in a worse position than they were four years ago."

Exports Permitted Freely

In summarizing the status of the company's investment in Scotland, Mr. Hatch says as follows:

"No restrictions whatever have been placed on the export of matured whisky. Of necessity such exports must be governed by the available shipping facilities, but this is not a problem as yet. All shipments are insured against war risk loss, and carry in addition the usual insurance coverage.

The company has suffered little interference with its business because of the operations of the Foreign Exchange Control Board in Canada.

No Dividend Increase

Some agitation has been heard from United States shareholders of Hiram Walker that dividends should be paid in American currency because of the loss suffered on accepting payment in Canadian funds. On this subject Mr. Hatch says:

"The payment of dividends in United States currency rather than Canadian would amount to an increase in dividend disbursements which we consider inadvisable at this time in view of the decline in the past year's earnings and of the fact that we are now facing, and probably will face for some considerable period, increased taxation. After considering the whole matter carefully, the board of directors decided to continue the payment of dividends in Canadian funds.

Tax Hits Canadian Sales

The war has greatly increased the burden of taxation on the industry, says Mr. Hatch. Excise has been almost doubled in Canada. Increases have taken place in Great Britain as well and in some parts of the United States. He points out the danger that increased levies may disappoint in not yielding the higher revenues they are intended to produce. "Already the taxation increases enacted at the emergency war session of Canada's Parliament have caused a marked reduction in consumption in Canada."

Mr. Hatch announced that the nomination of B. E. Ford, comptroller and assistant to the president, to fill the vacancy on the board of directors caused by the death of Ward Wright, K.C.

Sales Outlook Better

H. R. Walton, vice-president and general manager, pointed out that lower earnings in the year just closed were largely due to declining prices in the United States because of more abundant stocks of older whisky and the inevitable growth of competition. He reviewed the company's position in regard to the different brands in the market, mentioning that it continued to sell more gins than any other distiller in the United States.

Price Bros. Pays Dividend

From Our Own Correspondent

MONTREAL. — Indicative of improved earning power, Price Bros. & Co. has declared a dividend of $1.37½ on the 5½% preferred stock for the quarter ending December 31, 1939, together with a dividend of $1.37½ on account of arrears, which began to accrue January 1, 1939. This leaves arrears at $2.75 a share. Both dividends are payable on December 31, to shareholders of record December 19.

For the year ended March 31, 1939, the company reported net earnings of $3,577 as available on the preferred shares. Annual dividends on the latter call for $345,636. In the previous year Price Bros. earned $500,229 on the preferred, or $7.96 a share.

While no official statement has been issued on earnings this year the improvement in operations and better price for newsprint should put revenues well above last year's level. General expectation is that income this year will not run quite as high as 1937, but if Price Bros. earnings are within striking distance of that point, dividends on the preferred should be covered.

Carlisle Stresses Need Of Eliminating Waste

This is no time to be super-critical, but a time to be super-industrious and super-efficient, C. H. Carlisle president of the Dominion Bank told the shareholders of the bank at their annual meeting this week. He stressed the need of eliminating waste of every kind and of discovering and enforcing economies.

While many restrictions would undoubtedly be necessary, it was important, he said, that these should bear as lightly as possible on business. Restrictions hamper the extension of production and trade, he added, and it is only on the extension of trade and production that we can hope to provide for our tremendous financial burdens and maintain our standard of living.

Robert Rae, general manager, reviewing the bank's statement for the year pointed to the increase of $11 millions in current loans and discounts in Canada. This, he said, was due to the greater amount of money required to finance the grain crop and also to an increase in the demand for general commercial loans.

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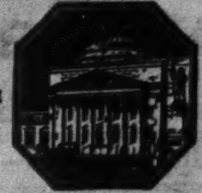

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Dosco Capacity Boosted Third

(Continued from page 1)

1,680,213 tons, the highest figure reported in many years. During the earlier months of 1939 sales of iron ore were at a high level. A large share of the output was sold to German interests, and when war was declared, this business automatically ceased. However, other sales outlets have been opened up.

There is no particular concern on the part of the company to find a buyer for the iron ore; the principal difficulty (common to other industries) is in finding bottoms to carry the ore to export markets. This is a condition which is expected to right itself before long.

Better Production Figures

On the basis of reported operations, it is to be expected that steel ingot production this year will be above the 337,116 tons reported in 1938. The final returns are likely to run around 400,000 tons, which would compare with the record figure of 423,000 tons set in 1937.

It remains to be seen whether the iron ore figures will show any very material reduction. Up to September sales were good.

As regards the other principal product of the company — coal — Dosco's subsidiary, Dominion Coal Co., reports for the first ten months of 1939 an output of 3,712,382 tons. This compares with 3,360,702 tons in the same period of 1938, an increase of 10.5%.

While operations in practically every department this year are on a broader scale than in 1938, it would not be surprising if Dosco's financial statement for 1939 shows income did not keep pace. The reason for this is that early in the year steel prices were reduced $3 a ton. With these two factors in force, it is problematical as to whether or not net income in 1939 will reach the level of $1.19 a share established on the Class "B" stock in 1938.

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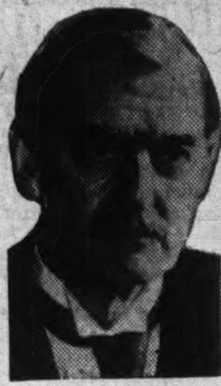
London Calling *By Atticus*

Hardheaded Prime Minister Wins Cheers From the Opposition—Exiles Watch Hitler



MR. CHAMBERLAIN

—LONDON.

The Prime Minister looked pleased and was obviously touched by the warmth of his reception when he returned to the House of Commons the other day. The Socialists cheered him with genuine cordiality and the Government pack were full throated. I am sure the Opposition Liberals joined in, but as I was facing sideways toward the Speaker I missed them.

Mr. Chamberlain does not court popularity with his opponents and on proper occasions he is ready to give them "wot for, not 'arf," whatever the Parliamentary equivalent of that may be. Nor, for that matter, does he woo his own supporters with honeyed phrases or dimpled smiles.

The truth is that the Prime Minister is a shy man with a strong streak of toughness in his make-up. One side of his nature delights in flowers, in the gurgling salmon stream, and in poetry, which he often reads at night. The other side is a strong desire to go bluntly to his objective, giving and taking what bumps he may encounter but conceding nothing without a fight. In his soul there is a constant conflict between the hard realist of Birmingham and the gentle philosopher of St. James's Park.

• • •

Memories

In spite of the charming hospitality of our hostess I felt a certain melancholy at Lady Chamberlain's house the other day. The death of Sir Austen did not end her interest in politics and international affairs, and many a foreign diplomat comes to her for sound and sympathetic advice. There were some there the other day, however, to whom it would be easier to offer condolence than advice.

M. Jan Masaryk exuded vitality as usual but the humor is gone from his face. As long as the Czechs were free Masaryk fought their cause with a gaiety that did not mask the relentlessness of his purpose. Now, when German firing squads are emptying their bullets into the hearts of Czech boys at the university, it is not easy for the eyes to sparkle with the joy of battle.

Then there was Dr. Regis de Oliveira with his charming wife and attractive daughter. It seems such a waste of experience for Brazil not to continue to use him here as Ambassador now that war has come. Regulations as to the retiring age should be waived in so exceptional a case. The Oliveiras, I am afraid, will be leaving us altogether. We shall miss them sadly.

• • •

Austrian Incident

Another nostalgic touch to the affair was to see Sir George Franckenstein talking to the young Archduke Robert. Here was the Minister who had to leave the Legation when Hitler marched into Austria, and here was the son of the Empress Zita, who was the last woman to share the throne of the Austro-Hungarian Empire. The Archduke is a very tall young man with sensitive features and a pleasant smile. He lives in St. John's Wood and, I gather, will make his home here for the duration of the war. He was worrying about the Empress Zita who, he believed, had been in Belgium and would have left because of the feared invasion of a few days ago. There must be dark, resentful places in her mind as she sees the frontiers of hatred extend themselves until she and her family become wanderers on the face of the earth.

The Archduke told me of the escape of one of his brothers and his sister from Austria on the occasion of the Hitler coup. They made for the frontier in a car and were there held up by an official who doubted the validity of their visas. Someone had recognized them and declared that they were Habsburgs. "I will telephone Vienna," said the official pompously. Then as he passed the car he whispered: "As soon as I go inside get across." It is a nice Scarlet Pimpernelian story and I rejoice that these nice people escaped the "justice" which Nazism inflicts upon those whose existence, rather than their actions, affronts the Hitlerian conscience.

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Beecham Plans Tour

I was delighted when my old friend Sir Thomas Beecham turned up at the House of Commons. Time does not stale the freshness of his mind nor curb the misanthropy of his spirit. With mixed feelings I heard that he will visit Australia next summer and come back through the U.S.A., where he will deliver a series of radio talks on such subjects as "neglected composers" and other kindred things. Remembering what Sir Thomas has said in public about the B.B.C. and local councils, I urged him to bear in mind that the Empire is at present united and that American neutrality is at least benevolent. He said he would make a note of both.

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Saint John Port Traffic Moves Up in November

From Our Own Correspondent

MONTREAL. — War conditions have been beneficial to the port of Saint John, judged by the traffic report for last month when 82,603 tons of cargo were handled, as against 65,487 tons in November a year ago. There was a slight increase in the outward movement, but nearly all of the gain was due to inward traffic which increased from 38,253 to 54,320 tons.

For the first eleven months of 1939 the port handled 1,592,978 tons of cargo, as against 1,707,308 tons in the same period last year.

The Home Front

War Charities Act

Government Intends Control Of All Soliciting For Funds

The Dominion Government has minimized the possibility of war charity racketeering. Through its War Charities Act, it is attempting to prevent altogether exploitation of the public by pseudo-charitable groups.

Ottawa authorities passed the War Charities Act on Sept. 13, 1939. Based on experiences of 1914-18, it compels all organizations, created for war charity purposes, local or national, to register with the Secretary of State. Affairs of any organization, which appeals to the public for funds therefore have to be outlined to the Department's satisfaction. These organizations are also subject to regular supervision of the Department during operation. Penalties up to $500 or three months in jail are possible for non-compliance with regulations.

Since the Act was placed in operation, the Secretary of State Department has been flooded with applications for registration. In October, 53 organizations received approval. In November the number increased to 92.

No Fee Charged

National organizations, such as Canadian Red Cross, Canadian Legion War Service Fund, Knights of Columbus, Canadian Army Huts, I.O.D.E., Salvation Army, Y.M.C.A., etc. have qualified for registration. Women's auxiliaries and numerous other bodies, purely local in scope have been approved by the Secretary of State.

Any organization which anticipates engaging in wartime charitable work must make applicaton to A Gordon Gunn, War Charities Branch, Secretary of State, Ottawa. The necessary printed forms may be obtained upon application. These forms will guide the applicant.

No fee is necessary to obtain registration, either upon application or receipt of certificate. It will be necessary for the organization to subscribe to the following provisions:

1. The organization must be administered by a committee of not less than three persons, to be approved by the Secretary of State.
2. Minutes of all meetings must be kept, with the names of the members attending.
3. Proper financial accounts must be kept, including total receipts and expenditures. Accounts must be audited at intervals required by a chartered accountant for every year or portion to Mar. 31 and submitted to the department by the following April 30. When total gross receipts have been less than $500 a chartered accountant may be substituted by two other individuals.
4. All funds received must be paid into a separate account at banks specified.
5. The accounts of the organization must be open to any person authorized by the Department at any time.

May Suspend Organization

The registration may be terminated if the Department considers that "effective co-ordination of public subscription for the relief of suffering or distress, whether connected with the war or otherwise, renders such termination desirable in the public interest." Funds of an organization which has been wound up may be taken over by the Charities Coordination Board.

Where the organization making application was in existence on Sept. 3, 1939, application must be accompanied by a certified copy of its letter patent or charter and constitution and by-laws and a certified copy of its last annual financial statement. The latter statement must be for a period not more than six months before the date of application.

Application must show:

1. Methods to be followed in establishment and administration of the charitable fund.
2. Total funds to be collected.
3. Estimated detailed cost of collecting the money.
4. Principal objects on which it is proposed to make expenditures.

Registrations Renewable

Registration will be effective for one year only, but may be renewed by the Secretary of State for another year.

Any organization which proposes to make collections under a contract or arrangement where an organization is to receive remuneration, based on a percentage or other scale dependent upon the amount of contributions collected, will not be granted registration.

Registration will also be denied a body which makes any commercial contract for collection by telephone, whether by soliciting for the sale of tickets, coupons, or any other means of this description.

Meetings must be held by the executive each month and changes or departure from the original powers granted under registration must be reported to the authorities.

Published Lists

The Government is publishing monthly lists of registrations and copies of these are being sent to Boards of Trade, Chambers of Commerce and Better Business Bureaus in the larger cities and towns. Police forces will also receive copies of the list.

Properly administered, it should provide adequate protection against the evils that would result from unsupervised efforts. Efficiency of the present Act will depend upon the thoroughness with which the applicants are investigated and continuance of the Department's regulatory powers.

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THE BIG NEWS

The public generally hears of trust work in connection with the estates that run up into the millions.

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Whenever it is convenient for you, we shall appreciate it if you will step in and let us explain just how our trust facilities operate.

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Executors :: Trustees :: Financial Agents

MONTREAL TORONTO

Dominion Revenues Running Well Ahead of Last Year

Increase in Business Activity Bringing in More Taxes But Ordinary Expenses of Government Also Up — $29 Millions on War to Date

Greater business activity and increased taxes are being reflected in revenue collections of the Dominion Government.

According to an announcement by J. L. Ralston, Minister of Finance, revenues of the Dominion Government for the current fiscal year up to Dec. 5 show an increase over the corresponding period of 1938.

This indicates there was a sharp increase in receipts in the first few days of December. The monthly statement of receipts and expenditures, just released, shows revenues at the end of November to be $3.6 millions below the same period last year.

The November statement shows a continuance of the upward trend evident in recent months, receipts being 4.9 millions higher than in November last year. The increase in October was $5.3 millions. The increase is entirely accounted for by higher receipts of customs duties, excise duties and excise and sales taxes.

Revenues in excess of the budget estimate now seem assured. Assuming revenues in each of the next four months show an increase of $5 millions the total for the year will be about $1 million above the estimate.

The statement of expenditures indicates the Government has made no real attempt to economize as far as the ordinary departments are concerned. Ordinary expenditures are still running ahead of last year. For November, ordinary disbursements are shown at $43.6 millions as against $42.1 millions in the same month last year. Actually, the increase was greater than these figures indicate for defense expenditures are now being charged to the special war appropriation.

Expenditures under the war appropriation in November totalled $13.6 millions, bringing the total to date to $28.9 millions. Total disbursements for war and national defense purposes to the end of November were $46.9 millions, an increase of $26.7 millions as compared with the same period a year ago.

Relief expenditures for the eight months total $27.4 millions as against $23 millions in the same period of 1938. Drought area relief is lower but the Dominion is paying a larger share of direct relief costs. Furthermore, the programme of relief works has been considerably larger this year.

Current Position

Receipts and Disbursements
Month of November
(In thousands of $)

Receipts:	1939	1938	Change
Customs duty ...	9,912	7,241	+2,671
Excise duty	5,993	4,726	+1,267
Excise, sales tax.	16,815	15,199	+1,616
Income tax	3,945	4,456	—511
Post office	2,701	3,043	—342
Sundry	2,099	1,868	+231
Special	30	1	+29
Total receipts ...	41,495	36,534	+4,961
Disbursements:			
Ordinary	43,657	42,169	+1,488
Capital	905	831	+74
Govt. enterprises	46	2,132	—2,086
Relief	4,465	4,094	+371
War appropriation	13,666	.....	+13,666
Other charges ...	167	84	+83
Total disburse. ..	62,906	49,310	+13,596

Eight Months Ended Nov. 30
(In thousands of $)

Receipts:	1939	1938	Change
Customs duty ..	64,174	55,896	+8,278
Excise duty	41,431	36,210	+5,221
Excise, sales tax.	99,219	107,713	+8,494
Income tax	115,210	124,748	—9,538
Post office	21,426	21,099	+327
Sundry	13,160	12,340	+820
Special	93	401	—308
Total receipts ...	354,713	358,408	—3,695
Disbursements:			
Ordinary	262,556	263,121	—565
Capital:			
Nat'l. defense .	5,939	.....	+5,939
Transport	4,628	3,644	+984
Relief	27,471	23,084	+4,387
Govt. enterprises:			
C.N.R. deficit .	41,250	41,964	—714
Harbors Board.	377	2,522	—2,145
Other	598	755	—157
War appropriation	28,977	.....	+28,977
Other charges ...	2,653	406	+2,247
Total disburse. ..	374,449	335,496	+38,953

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FORD TRUCKS LEAD!

Sales Leader by Wide Margin for 5 Consecutive Years Leads Again in Value for 1940

By outselling every other make of truck to date in 1939, Ford Trucks have established paramount sales leadership in Canada over a five year period. Ford Trucks have actually occupied first position in sales during twenty-one of the past twenty-five years.

V8
THREE TON
V8-40

Compare Ford Truck Features

Ford trucks lead the field with V-type 8-cylinder engines. Eight cylinders for power ... small cylinders for economy. ★High chrome nickel-alloy-steel valves are used for *both* intake and exhaust. ★Tungsten steel inserts on *both* intake and exhaust valve seats practically eliminate need for valve grinding. ★Engines are equipped with semi-centrifugal, single plate type clutch, which has tremendous power-transmitting capacity. The Ford clutch is noted for its ability to stand up in hard service, and for easy pedal action.

Sturdy full-floating rear axles with straddle-mounted pinions, make for reliability, long life, and *freedom from repairs.* With this type, axle shafts support no weight and take no end thrust. Yet the large axle shafts have ample reserve strength—being forged from special alloy steels, with tensile strengths of 180,000 lbs. to 210,000 lbs. per sq. inch. ★3-Ton Trucks have two speed axles, providing gear ratios which closely fit various load and road conditions, resulting in greater economy. ★Ford Trucks are "full jeweled", having roller or ball bearings *throughout* in all forward speeds.

TO KNOW *why* Ford Trucks lead in sales — compare them with *all* comers! Compare chassis for chassis ... feature for feature ... price for price. As so many alert operators have done, you will find that 1940 Ford Trucks give *more* for the money ... more performance and reliability, more all 'round economy ... more of the qualities that will insure you a *greater* volume of work in *less* time at *lower* cost.

A few of the features that account for Ford leadership are briefly described here. *All* Ford features are outstanding qualities incorporated in a Ford Truck to make it tougher, more rugged, more economical, to make the unit easier to handle and operate, increase the driver's comfort, give added protection to the load and contribute to safety. You can find all this out yourself. Accept your Ford Dealer's invitation to make an on-the-job test of a Ford Truck ... with your customary loads.

88,000 Canadian workers and their dependants, 14,000 Canadian shareholders, benefit because Ford Trucks are made in this country. *When you buy a Ford Truck, more of your money stays in Canada.*

FORD TRUCKS ARE MADE IN CANADA

FOR ECONOMY, PERFORMANCE, RELIABILITY!

- The powerful Ford Truck engines develop high torque over a wide range of speeds—speeds at which truck engines run most of the time — speeds at which greater engine economy is obtained.
- Extra length water jackets extend all the way down the walls of the crankcase, providing more even cylinder expansion, which in turn means reduced wear on pistons and piston rings.
- The short, rigid Ford crankshaft is made of special cast-alloy steel. Main and crankpin bearings are exceptionally hard. Even after many thousands of miles there is practically no wear.
- The distributor is direct-driven from the front end of the camshaft, eliminating backlash and assuring correct timing. It is waterproofed against failure in wet weather. Ignition has "hotter spark" for easier year 'round starting.
- The Ford Engine and Parts Exchange Plan enables Ford Truck operators to replace worn units after many thousands of miles of service, with reconditioned units for less than it would cost to have them repaired or overhauled. No time lost for the truck.
- Safety Glass is used in all windshields and windows of all Ford V-8 Trucks. This, taken with the ALL-steel cab and insulation, ensures safety and comfort for the driver.

Investment Trends

Quiet Markets Gain Slight Headway

Uncertainty of War Continues to Hold Back Investment Interest — Stocks Now Lag Far Behind Strong Business Activity

Recent trading on stock exchanges here and in the United States has not given very strong grounds to assume that the long period of indecision and inactivity has ended. It is true that a recovery of several points on the averages has been seen since the low point for the October-November decline was hit on Nov. 30. But trading has been very quiet with little real evidence shown that the public is prepared to buy stocks.

It seems still true that the war is the dominating factor. New developments, of which the invasion of Finland is the most serious, keep rumors of all kinds on the rounds. Uncertainty as to how far this tendency for hostilities to spread may go probably deters aggressive investment action.

Signs are becoming more evident, however, of a feeling that a favorable level for investment purchases is near. Most frequently quoted basis for this theory is the continued lag of stock markets behind business. Even if the year-end holiday period brings some slowing up of gains in business indicators, there is evidence of orders that will hit Canadian industry on an accelerating basis before many weeks.

Sooner or later stocks will break out of the rut in which they have held for many weeks. This does not guarantee that the bottom has been seen but weight of evidence supports the premise that the break, when it comes, will be on the up side.

* * *

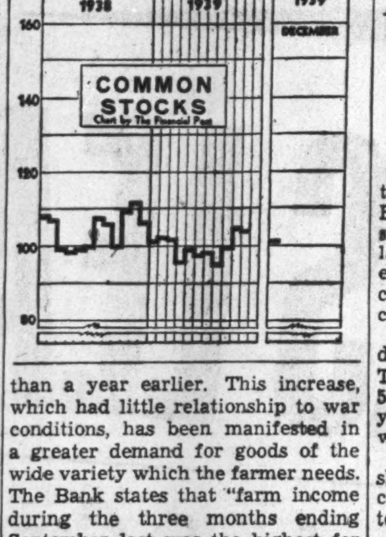
Likes M. & O.

Surprise that first mortgage bonds of M. & O. Paper Co. did not rank higher among selections in The Financial Post's contest on "Investing in Wartime" is voiced by E. D. Glassco, Montreal His analysis of the company brings out the following points:

1. On Sept. 30, last, the company had working capital of $7.1 millions, of which $2.8 millions was cash.
2. It owns power plants having an installed capacity of 90,000 h.p. which he thinks are worth at least $9 millions.
3. Newsprint mills are fairly low-cost. With a daily capacity of 800 tons, and allowing for a valuation of $30,000 per ton, this makes the newsprint mills worth $24 millions.
4. The company's timber lands are "rated by experts to be among the finest on the continent."
5. Over $2.6 millions has been spent on plant improvement by the receivers. Although non-recurring expenses, these have been charged to operating earnings.
6. He estimates net earnings, after depreciation and depletion, for 1939 at $1.2 million, or 5% on the face value of the $24.4 millions of the present bonds.
7. The principal trustee states the company could earn $2.2 millions after depreciation and depletion in a normal business year, "or over 9% on its present first mortgage bonds."
8. Present market value of around 48 for the bonds indicates this company is "only worth $16 millions since under the most unfavorable plan of reorganization the bondholders get 72.6% of the equity in addition to the $12.2 millions of new 4% income bonds."

Mr. Glassco concludes that "it is my opinion that although many paper securities may in future months show a greater percentage of capital appreciation, few if any will have as good reasons for doing so" and invites anyone to check his statements six months from now.

* * *



Liquor Prices

Reports are current that the Ontario Liquor Control Board and the corresponding body in Quebec are going to reduce prices of liquor in the near future. It will be remembered that one of the early acts of the Canadian Parliament was to pass new tax measures, one of which made a substantial increase in the excise tax payable on alcoholic beverages. Immediately the various provincial control boards boosted prices, in many cases higher than the actual amount of the tax.

The Financial Post understands from well-informed sources that the result has been a decline in sales of around 40%. H. C. Hatch, president of Hiram Walker-G. & W., referred to this in his address at the recent annual meeting.

This seems to be a clear example of imposing higher taxation than the traffic will bear. The net result would be little, if any, increase in revenues when sales volume drops by 40% because of higher prices.

* * *

Farm Purchasing

Canadian Bank of Commerce estimates that farm purchasing power in Canada at Sept. 30 was 9% higher than a year earlier. This increase, which had little relationship to war conditions, has been manifested in a greater demand for goods of the wide variety which the farmer needs. The Bank states that "farm income during the three months ending September last was the highest for any quarter since 1929 and 16% higher than for the corresponding quarter of 1938."

Makers of clothing, household equipment, radios, automobiles and many other lines will share in this demand from the farm. It is thought that most of the higher purchasing power will go into necessities rather than luxuries as farmers, particularly in the west, have been short on many things in recent years. Also, it should be mentioned that a good portion of this income will go toward liquidating debts and also be set aside for buying new farm machinery next spring.

* * *

Business Up in 1940

Colonel Leonard P. Ayers of the Cleveland Trust Co. forecasts that 1940 will be a year of moderate improvement in general business conditions in the United States. For example he thinks that industrial production will hold at 5% higher than 1939's average and that there will be some increase in national income. New building will probably be the largest since 1930 but not quite reach that year's total.

Some lines, such as department store sales, he does not expect to exceed 1937 level although higher than 1939. In general, his forecast of increases is for a change from 5 to 12%. He does not expect a commodity price inflation to develop in the United States in 1940.

Although his ideas are on the whole favoring improved conditions, they cannot be regarded as excessively optimistic. Apparently Colonel Ayres fears continuation of the "pump-priming" tactics of the government in that country which he does not think can provide a lasting base for prosperity.

Building Products to Pay 10-cent Extra

From Our Own Correspondent

MONTREAL.—Building Products Ltd. has declared an extra dividend of 10 cents a share on its common stock payable along the regular quarterly dividend of 17½ cents a share on Jan. 2, 1940. A similar payment was made on Jan. 3, 1939.

After taking into account the above declaration total dividend payments for the current year amount to 80 cents a share.

Are You a

Bondholder?

Investors, traders and dealers in Canadian bonds will find much material of vital importance in our new booklet "Canadian Industrial & Public Utility Bonds". Containing a compilation of all Canadian industrial and public utility bonds, the booklet sets forth in handy reference form: Amounts of bond issues outstanding; Interest and maturity dates; Prices, dates and other features of redemption and many other pertinent details. Also included is a 10-year record of called bonds—the first time such data has been made available in convenient form.

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Dom. Foundries Issues Rights

Authority of Last February Used By Directors to Raise More Capital

Dominion Foundries & Steel Ltd. has offered to common shareholders of record Jan. 2, 1940, the right to purchase one additional share at $15 a share for each 10 shares held. The privilege will expire on Jan. 30, 1940.

This is in line with authority granted by shareholders at a special meeting last February when the stock was split two-for-one. The proceeds of the offering of rights is planned to finance a portion of the latest expansion programme.

As there were 312,372 common shares outstanding at the latest available date, full exercise of rights would result in issuance of 31,237 additional shares. This would bring outstanding capital to 343,609 common shares and give the company an additional $468,555 in cash. This is approximately the amount to be spent on additions to plant now being built.

Third Issue of Rights

This will mark the third time that the company has raised additional capital by issuing rights to shareholders. Each time the price has been $15 a share. In 1937, rights were given to purchase one new share for each four shares held. Again in 1938 rights to purchase additional shares on the same basis were given.

Regular dividends of 25 cents quarterly are being paid on the common, latest payment being scheduled for Jan. 2, 1940.

Market Opinions

Opinion among stock market students continues to suggest that favorable buying levels are near.

* * *

The Investors' Chronicle, London (Nov. 25)—"On the whole there is every cause for satisfaction in the behavior of markets following on the rise that has occurred over the last few weeks, and in view of the intensification of the war at sea. The plans of the Allies to pool economic resources influenced sentiment favorably, and fresh deals, like the proposed large purchase of Egyptian cotton, are held to suggest that a big export drive is in the offing, which will be all to the good as regards market activity. On the industrial front, dividend announcements are again making a good showing."

Brookmire Counselor, New York—"In view of the underlying domestic recovery as well as potential foreign business, the main uptrend should ultimately be resumed. Hence, any additional irregularity would represent an opportunity to recheck portfolios for any changes that may be needed to assure adequate representation in dynamic well-placed stocks."

Barron's, N.Y. (The Trader)—"Speculation is somnolent . . . The fact remains that capital is timid; so liquid, though, as to require no liquidating movement in trade or finance. Consequently it is a change in psychology, which can occur virtually overnight, that may be necessary to break the current market's impasse."

Financial World, New York—"During the past several months, the best market performance has been given by the good grade income producing stocks. Speculative issues have suffered from lack of demand, and although stocks of this type seem destined later on to come into prominence, in the meantime the indicated course of investors is to confine their holdings largely to shares which are affording good yields from dividends that are being adequately covered by earnings."

The Annalist, New York—"The outstanding feature of the market's position remains the tremendous discrepancy that has developed between business activity and stock prices. At no time during the past has such an extensive advance in business activity been accompanied by such a small advance in stock prices. The problem is whether the market remains low because it is discounting some impending catastrophe of major importance or whether it is simply taking its time about recognizing the business recovery."

The Financial World, New York.—"As long as the outlook continues to be for a sustained good level of corporate earnings, a continued flow of dividend payments, and an upward trend in living costs, sound stocks affording holders adequate yields will occupy an advantageous position. Here and there, special circumstances may warrant an individual in placing a large portion of his funds in speculative issues, but by and large the investor is on soundest ground if commitments are confined largely to issues backed by substantial earnings and whose dividends afford good yields."

Company Reports

Bruck Silk Mills

Greater efficiency in plant operations and increased sales enabled Bruck Silk Mills to make a better showing in the year ended Oct. 31 last. Net profit for the year was equivalent to 24 cents a share on the common stock as compared with one cent a share in the previous year.

Working capital at Oct. 31 was down $61,460 from the previous year. This is due to an expenditure of $91,517 on capital account during the year. Outmoded units were replaced with modern automatic looms.

Investment in subsidiary company shown in the form of accounts receivable has increased from $2,629 to $27,247..

Income and Surplus Account
Years Ended Oct. 31

	1939 $	1938 $
Gross trading profit ..	381,594	295,722
Less: Selling, delivery & adm. exps.	267,242	218,242
Directors' fees	1,060	1,100
Legal expenses	1,234	1,657
Net earnings	112,058	74,723
Add: Invest. income .	576	603
Less: Bond interest ..	27,209	27,807
Depreciation	47,694	44,924
Loss on auto. sold ..	428	......
Tax reserve	7,453	1,338
Net profit	29,850	1,257
Add: Prev. surplus ..	469,472	467,603
1936-37 adjustments.	......	612
Less: Adjustments ...	458	......
Balance forward	498,863	469,472

Working Capital

	1939 $	1938 $
Current assets	908,481	851,990
Current liabilities	242,420	124,469
Working capital	666,061	727,521

Balance Sheet Items

	1939 $	1938 $
Fixed assets	1,652,014	1,560,497
Less: Deprec. res.	769,793	724,454
Net fixed assets	882,221	836,043
Bank loan	135,000	75,000
Accounts receivable ..	97,995	46,104
Bonds outstanding ...	410,500	418,600

Analysis of Inventory

	1939 $	1938 $
Raw materials	138,042	92,170
Goods in process & supplies	177,867	107,754
Undyed fabrics	120,433	139,166
Dyed fabrics	194,860	237,911
	631,202	577,001

Canada Dry

Substantially higher sales by Canada Dry Ginger Ale Inc. in the year ended Sept. 30, 1939, resulted in profits equivalent to $1.88 a share against $1.12 for the preceding year. All mortgages on properties were paid off during the past year, leaving the company with no funded debt.

Provision has been made in the surplus account for unrealized loss on conversion of Canadian assets. It is stated that current assets, liabilities and earned surplus of the Canadian subsidiary at Sept. 30 amount to approximately 14%, 15% and 16% respectively of the consolidated total for such items. Net income of the Canadian subsidiary was approximately 23½% of consolidated net income.

Depreciation allowances for the past year were $343,301 compared with $293,386 for the 1938 year.

During the past year three new plants were constructed in the U. S. and policy of licensing local bottles to distribute and manufacture Canada Dry products continued. New plants are to be established in important cities in the current year. Reference is made to the successful advertising results from the company's radio programme, "Information, Please."

Consol. Income and Surplus Account
Years Ended Sept. 30

	1939 $	1938 $
Gross sales	17,076,341	15,368,862
Less: Returns & allow.	523,204	445,484
Net sales	16,553,137	14,923,378
Less: Cost of goods ..	7,829,620	7,265,573
Adv., selling, etc. ..	7,445,983	6,853,845
Net oper. income	1,277,534	803,960
Add: Income credits .	8,209	59,406
Less: Interest exp. ...	22,342	23,408
Other deductions ..	......	11,668
Income tax prov. ..	106,697	104,923
U. S. surtax	......	31,985
Net profit	1,156,704	691,381
Less: Dividends	307,578	153,789
Surplus for year	849,126	537,592
Add: Previous surplus	4,448,893	3,755,896
Conting. res. reinstated	......	200,000
Less: Res. for cases adj.	33,271	25,337
Hupfel foreclosure exp.	88,336	11,500
Unreal. loss Can. exch.	67,928	......
Prov. for possible loss	......	7,758
Earned surplus fwd. ..	5,108,483	4,448,893
Earned per Share:	$1.88	$1.12
Paid	0.50	0.25
Shares O/s., n.p.v. ...	615,157	615,157

Working Capital

	1939 $	1938 $
Current assets	5,209,717	4,770,079
Current liabilities	1,209,863	830,389
Working capital	3,999,854	3,939,690

Harding Carpets

Net profit of Harding Carpets Ltd. in the year ended Oct. 31 was the best in the company's history, amounting to $104,677. This compares with net profit of $1,617 in the preceding year, and is equivalent to earnings on the common shares of 61 cents and one cent, respectively.

In addition to the two regular semi-annual dividends of 10 cents a share, the company declared an extra of five cents a share, payable Jan. 2, to shareholders of record Dec. 18.

Working capital position showed substantial improvement.

Balance Sheet Items
At Oct. 31

	1939 $	1938 $
Cash	66,951	15,022
Accts. rec. (net)	183,813	100,718
Inventories	273,759	314,399
Accts. pay.	20,875	60,337

Income and Surplus Account
Years Ended Oct. 31

	1939 $	1938 $
Earns. fr. oper.*	185,627	58,289
Less: Depreciation ...	57,950	56,258
Income taxes	23,000	414
Net profit	104,677	1,617
Less: Dividends	34,503	34,503
Surplus for year	70,174	†32,886
Add: Prev. surplus ...	126,045	158,931
Less: Prior inc. tax ...	893	......
Surplus forward	195,326	126,045

*After charging all administrative, selling and general expenses.

†Loss or deficit.

Earnings per Share:		
Common: Earned ..	$0.61	$0.01
Paid	0.20	0.20

Working Capital

	1939 $	1938 $
Current assets	524,522	432,171
Current liabilities	56,364	61,437
Working capital	468,158	370,734

Honey Dew Ltd.

Honey Dew Ltd. reports net profit equivalent to $1.30 a share on the new common stock in the year ended Oct. 31, compared with 63 cents in the previous year.

Sales during the year increased 7.8%, and net profit, after all charges, increased to $22,262 from $10,891.

Balance sheet for the year under review reflects capital expenditures in connection with modernization of stores, and simplification of the capital structure.

Balance Sheet Items
At October 31

	1939 $	1938 $
Cash	2,360	9,047
Sundry invests.	......	14,042
Fixed assets (net)	287,078	225,339
Invests, adv., etc.	49,644	338,859
Bank overdraft	29,230	......
Payables	95,389	68,897
Capital stock	152,170	1,608,500
Capital surplus	1,162,009	......

Income and Surplus Account
Years Ended October 31

	1939 $	1938 $
Gross sales	1,179,274	1,093,247
Less: Oper. exp.	1,087,631	1,019,114
Operating profit	91,643	74,133
Add: Misc. income ...	1,341	6,146
Net earnings	92,984	80,279
Less: Depreciation ...	57,989	59,254
U. S. rights	6,733	7,134
Taxes	6,000	3,000
Net profit and surplus for year	22,262	10,891
Add: Prev. surplus ...	154,487	143,596
Less: Adjustments ...	3,725	......
Surplus forward	173,024	154,487
Earnings per Share:		
Common: Earned*	$1.30	$0.63
Nothing paid.		

*Based for comparison on new capitalization after reorganization.

Working Capital

	1939	1938
Current assets	62,573	80,375
Current liabilities ...	132,431	73,910
	*69,858	6,463

*Excess of current assets over current liabilities.

Beatty Bros. Ltd.

Continued general recession of business caused a falling off in sales of Beatty Bros. Ltd. in the year ended Aug. 31, 1939. The net profit for the latest period is lower than for any year since 1934 when a loss of $77,216 was reported.

Fixed assets rose $47,300 to $1,977,381 while reserve for depreciation is now shown at $1.2 millions. Major changes in the balance sheet are summarized in the tabulation below.

Income and Surplus Account
Years Ended Aug. 31

	1939 $	1938 $
Net oper. profit	296,917	389,021
Less: Mgmt. sals., dirs. & legal fees	54,530	54,978
Depreciation	82,011	77,941
Tax provision	32,187	69,632
Net profit	128,139	186,470
Less dividends:		
1st preferred	60,000	60,000
2nd preferred	47,572	47,572
Surplus for year	20,567	78,898
Add: Prev. surplus ..	2,120,528	2,042,516
Profit on sale of assets	995	1,152
Life ins. adjust. ...	5,889	1,962
Less: Loss on sale of farm	119	......
Regina land w/o ...	......	4,000
Surplus forward	2,147,860	2,120,528
Earned per Share:		
1st pref.: Earned ...	$12.81	$18.65
Paid	6.00	6.00
2nd pref.: Earned ..	10.02	18.61
Paid	7.00	7.00
Class A: Earned ...	0.50	2.12
No dividends paid.		
Shares Outstanding:		
1st pref., $100 par ..	10,000	10,000
2nd pref., $100 par ..	6,796	6,796
Class A, n.p.v.	39,000	39,000
Class B, n.p.v.	100,000	100,000

Working Capital

	1939 $	1938 $
Current assets	6,200,021	7,315,360
Current liabilities	1,770,514	2,939,235
Working capital	4,429,507	4,376,125

Balance Sheet Items

	1939 $	1938 $
Accts. receivable	4,584,366	5,305,573
Less: Reserve	860,027	995,507
	3,724,339	4,310,066
Cash	4,261	9,908
Inventories	2,041,138	2,601,545
Bank loan	1,001,905	2,382,500
Sterling loan	490,885	269,717

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
1929-38:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	189.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1939:												
Jan.	129.4	16.9	79.1	173.5	52.9	172.9	126.9	133.3	57.5	85.2	42.7	102.9
Feb.	129.4	16.4	77.6	175.9	54.3	175.3	130.4	133.6	58.2	85.3	42.9	104.1
Mar.	126.6	15.1	79.8	173.9	57.2	172.5	127.6	132.9	62.0	85.1	44.4	103.7
Apr.	111.1	11.5	71.4	162.9	35.1	169.2	116.9	119.3	58.9	83.7	41.9	96.2
May	112.5	12.0	78.9	170.2	55.0	176.3	120.4	124.6	60.8	84.7	43.2	99.2
June	114.2	12.4	77.4	153 2	56.2	179.2	124.7	128.8	60.8	85.0	43.7	97.0
July	118.0	12.7	75.0	154.0	59.8	182.1	124.8	129.5	59.2	85.0	42.7	97.3
Aug.	108.6	11.1	76.0	147.9	60.1	180.5	117.7	121.6	56.8	84.3	40.9	94.2
Sept.	132.8	19.1	99.8	164.6	71.9	170.8	108.5	145.3	53.8	78.4	42.2	100.1
Oct.	149.1	23.4	106.3	185.9	81.4	178.8	121.4	160.9	59.5	81.0	45.7	106.0
Weekly Figures:												
Nov. 2 ..	149.1	25.0	106.2	187.6	83.6	179.0	128.3	162.1	60.5	83.2	45.8	107.8
Nov. 9 ..	146.5	23.9	103.3	184.2	82.6	172.1	126.6	161.1	60.4	83.5	45.4	105.9
Nov. 16 ..	139.3	22.7	96.2	169.9	82.8	174.7	125.5	156.1	59.2	84.0	44.4	102.9
Nov. 23 ..	136.3	21.4	96.9	168.8	83.1	175.9	129.3	152.1	58.7	84.9	44.0	102.0
Nov. 30 ..	137.1	21.1	101.9	167.9	83.1	175.2	128.4	150.9	59.4	85.0	44.3	101.5
Dec. 7 ..	142.6	22.9	101.4	163.6	84.4	178.4	129.5	155.0	61.0	84.8	45.8	101.3

*High and low for year from 1929 to 1938 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
Dec. 12	124.97	117.51	85.79	31.32
Dec. 11	125.43	117.60	86.23	30.99
Dec. 9	125.69	117.66	87.14	30.82
Dec. 8	125.18	117.32	87.03	30.76
Dec. 7	126.39	117.29	87.31	31.55
Dec. 6	125.97	117.00	87.71	29.70
Month ago ..	123.94	115.55	88.99	30.60
Year ago	121.55	122.41	99.59	34.31
High, 1939 ...	129.85	128.95	104.12	45.00
Low, 1939	97.75	100.25	79.50	21.07

Montreal Stock Exchange Averages

	10 Util	20 Ind.	30 Cbd.	10 Pprs.	15 Golds
Dec. 12	67.6	89.3	82.1	141.69	96.71
Dec. 11	67.5	89.3	82.0	138.34	96.69
Dec. 9	67.5	90.1	82.6	141.37	96.94
Dec. 8	67.6	89.9	82.5	141.50	96.79
Dec. 7	67.9	90.5	83.0	143.64	97.63
Dec. 6	67.4	89.7	82.3	144.68	97.09
Month ago .	66.8	88.1	81.0	136.24	97.66
Year ago ..	65.4	82.3	76.7	114.42	124.23
High, 1939 .	70.1	93.8	84.9	155.52	126.48
Low, 1939 ..	56.9	63.2	62.7	80.78	88.66

Investment Notes

De Havilland Aircraft.—Reliable sources inform The Financial Post that no Government orders, verbal or otherwise, have been received since outbreak of war. At the same time the company appears to have reason for confidence that it will share in any orders for aircraft for training purposes. Should such orders be maintained during several years of war, there should be earnings available to cut down the substantial arrears on the company's preferred stock. But there is slim likelihood that there would be any margin over this for payments on the common.

* * *

Chemical Research—Another proposal to settle the long-drawn suit with Pure Oil and others has been received and directors are meeting in Detroit this week to consider it. Apparently the latest offer is more favorable in some respects although details are not available. Previous attempts to settle the dispute have failed. This report may have accounted for the increase in interest in the stock recently.

* * *

Dominion Stores has recently placed in operation two market type stores in Hamilton, with self-serve groceries. Another is being converted into this type store in Toronto. Conversion is being carried out gradually.

* * *

Howard Smith—Market action of the stock forecasts the likelihood of a dividend before long. Company is in a position to pay something on the common, while the outlook continues encouraging.

* * *

Newsprints—Price Bros. action in paying a dividend on the preferred gave a strong stimulus to the newsprint market this week. This is the third company to make a declaration (Brompton and St. Lawrence Corp. are the other two) which indicates that the financial statements for this year are going to make better reading for the shareholders.

* * *

C.P.R.—Weakness in the shares of this company over the past few days is said to be due to the liquidation of a fairly large block of stock rather than to any special developments affecting operations. The report for this year is expected to show a moderate gain in earnings.

* * *

Brown Co.—Some definite action on the reorganization is expected to take place before the end of the month. The scheme for reorganization has been dragging, but it now appears that the varied interests are going to get together.

* * *

Alberta Pacific Grain—Preferred stock is selling at 36½, a new high for the year and comparing with a low of 14. Indications are that the Western grain companies will have a great deal more grain to store this year than was the case in 1938-39, all of which should help earnings.

* * *

General Steel Wares — Common stock has been showing strength. Volume of business to date is reported to be very satisfactory, with most of the sales on domestic account. Company is handling some government business, but it amounts to only a small percentage of the whole.

Foreign Exchange

During the week Dec. 5 to Dec. 11 there was no change in the quotation of the United States dollar at Toronto and Montreal, which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Dec. 11

Australia .	3.58	Italy	.0560½
Belgium ..	.1831½	N. Zealand	3.61
Denmark .	.2145⅝	Norway ..	.2523
France ...	.0247¼	S. Africa	4.47
Holland ..	.5894	Sweden ...	.2644
Hungary .	.1953⅝	Hong Kong	.2714
India	.3352¼		

Nova Scotia Steel and Coal Company, Limited

3½% First Mortgage Bonds

Due January 2nd, 1963

Nova Scotia Steel and Coal Company, Limited controls important iron ore deposits which are leased to its parent company, Dominion Steel and Coal Corporation, Limited.

Payments under the lease which amount to not less than $225,000 per annum will be sufficient to pay interest and retire this issue by maturity.

Price: 84 and interest, to yield 4.63%

Mail enquiries receive prompt attention.

36 King St. West
Toronto
Telephone EL. 4321

Wood, Gundy & Company
Limited

Dunfields

A
SUGGESTION

To you students of the Dow-Jones theory — of men and affairs — of markets and trends . . . let us help you in your Christmas buying. Under our roof you come face to face with superb gifts of quality that men who know values appreciate. Dunfield's is a man's store exclusively and offers gifts of obvious distinction. Or as a suggestion, for your convenience, gift certificates are available.

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GORDON DUNFIELD LIMITED
146 YONGE STREET TORONTO
(Between Richmond and Temperance)

Standard Fuel Pays $1 on Preferred

A dividend of $1 a share is being paid Jan. 1, 1940, to shareholders of record Dec. 15, on the 6½% preferred shares of Standard Fuel Co. This dividend is on account of the regular quarterly dividend of $1.62½ a share and will leave arrears at $1.25 a share.

Notice to Debenture Holders of the

TOWN OF COLLINGWOOD

ONTARIO

Notice is hereby given that a Plan of Readjustment of the Debenture Debt of the Town of Collingwood has been approved by the Council of the Town of Collingwood and the Department of Municipal Affairs of the Province of Ontario, and is being recommended to debenture holders for acceptance by the Debenture Holders' Committee.

Since, to become effective, the Plan requires the approval of holders of at least two-thirds of the debenture debt of the Town, the Committee desires to urge that all holders of Town of Collingwood Debentures communicate with the Secretary to the Committee, F. W. Cline, Esq., Tenth Floor, 302 Bay Street, Toronto 2, Ontario, in order to obtain a circular summarizing the Plan, together with a form for signifying approval thereto.

Refunding Issue

$1,000,000

EASTERN LIGHT & POWER COMPANY, LIMITED

First Mortgage and Collateral Trust
25-Year Sinking Fund Bonds, 4% Series A

To be dated January 2nd, 1940. To mature January 2nd, 1965.

Trustee: The Eastern Trust Company.

CAPITALIZATION
(Upon completion of the present financing)

	Authorized	Issued
First Mortgage and Collateral Trust Bonds........	$1,500,000	
25-Year Sinking Fund Bonds, 4% Series A......		$1,000,000
Common Stock (Par Value $10)..................	1,000,000	600,000

THE COMPANY: Eastern Light & Power Company, Limited supplies electricity to the City of Sydney, Nova Scotia, and surrounding territory, including the towns of North Sydney and Sydney Mines, and its wholly-owned subsidiary, Dominion Utilities Company Limited, also distributes electricity to the adjoining territory on Cape Breton Island, including the Town of New Waterford which town it also serves with water. The population of the territory served by the Company and its subsidiary is approximately 60,000.

SECURITY: In the opinion of Counsel, these Bonds will be secured by a specific first mortgage, pledge and charge on all the properties of the Company, present and future, and on $300,000 of 5% First (Closed) Mortgage Bonds, due 1970, of Dominion Utilities Company Limited and by a first floating charge on all other assets, present and future.

PURPOSE OF ISSUE: The proceeds from this issue of 4% Series A Bonds will be used in part to redeem at 103 on May 1st, 1940, all of the Company's outstanding 5% First Mortgage Bonds, due 1964, and to liquidate indebtedness of the Company which was incurred for the purpose of acquiring all of the outstanding securities of Dominion Utilities Company Limited, any balance remaining to be used for general corporate purposes.

Price: 99¾ and accrued interest.

We will accept the 5% First Mortgage Bonds, due 1964, of Eastern Light & Power Company, Limited, which are to be called for redemption, in exchange for Bonds of the new issue.

W. C. Pitfield & Company, Limited
MONTREAL
TORONTO OTTAWA SAINT JOHN MONCTON HALIFAX VANCOUVER

The information contained herein, while not guaranteed, is taken from sources which we believe to be reliable.

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad., $1.75. Three insertions for the price of two. Add five words when box number is required. Classified ads. payable in advance.

Manufacturers, Attention

AN ORGANIZATION IN SASKATCHEWAN that has successfully marketed Cash Registers, Scales, Mechanical Refrigeration and other Store Fixtures generally, over a period of years, is now open to represent manufacturer of high-class goods, on commission basis. References exchanged. Bond can be furnished. Box 227, The Financial Post, Toronto.

For Sale

THRIVING WEEKLY NEWSPAPER IN central Ontario town. Apply Box 232, The Financial Post, Toronto, Ont.

Four Refunding Plans To Be Heard by Board

Four municipal refunding schemes are scheduled to come before the Ontario Municipal Board this month. On Dec. 21 applications of York Township and East York Township for ratification on their refunding plans, will be heard by the board. A similar hearing will be given to the Scarborough Township scheme on Dec. 22, and on Dec. 28, the plan of Collingwood will be presented for ratification.

C.C.M. PAYS EXTRA

Canada Cycle & Motor Co. has declared an extra dividend of 25 cents a share on its common stock, payable along with the regular quarterly payment of the same amount on Dec. 31, 1939, to shareholders of record Dec. 15. All of this common is held by Russell Industries Ltd.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Robt. Simpson ..	*5%	1952	Jan. 1	105
Riordon Pulp ...	*6%	1942	Dec. 31	105
Eastern Car ...	‡6%	1952	Jan. 1	105
Preston E. Dome	6%	1943	Jan. 1	103
Can. Foundries ..	6%	1942	Feb. 2	110
Mississippi R. Pr.	†5%	1951	Jan. 1	105
Wpg. Elec.	*4½%	1960	Jan. 2	102½
Can. Crushed Stone	•6½%	1944	Dec. 31	...

Drawn by lot for sinking fund, †$151,500; ‡$35,000; *$86,300; •$19,400.
*All outstanding balance.

Bond Tenders

1 p.m., Dec. 20, Corp. of Saint George Sanatorium, Mont - Joli, Que. — $100,000, 3½%, dated Apr. 1, 1939, maturing in series over a period of 20 years. G. H. de Champlain, sec.-treas.

12 noon, Dec. 13, Halifax, N.S.—$275,000, 3½%, dated Jan. 2, 1940, due serially to 1947. Proceeds to be used for public works. G. J. Allen, treas.

Sunnidale Twp., Simcoe Co., Ont.—$8,000, 4%, 10 ins., 1940-49.

12 noon, Dec. 14, Canada Treasury Bills—$25,000,000, dated Dec. 15, 1939, due Mar. 15, 1940.

A. E. ARSCOTT
General Manager of The Canadian Bank of Commerce
Who drew the attention of the Bank's shareholders at their Annual Meeting to the unprecedented rise in Canada's industrial activity during the past nine months. The text of Mr. Arscott's address appears elsewhere in this issue, including details of the Bank's Personal Loan service, which has made loans to 185,000 individual borrowers during the past three years.

The Ontario Municipal Board Re: TOWNSHIP OF YORK

IN THE MATTER OF The Department of Municipal Affairs Act, R.S.O. 1937, Cap. 59,

AND IN THE MATTER OF an Application by the Corporation of the Township of York for an Order under Part III of the Act approving, authorizing, ratifying and confirming a Plan, dated December 1st, 1939, for the Adjustment and Reorganization of the Debenture Indebtedness of the Corporation.

APPOINTMENT FOR HEARING

TAKE NOTICE that the Corporation of the Township of York is proceeding to file with the Ontario Municipal Board a Plan for the Adjustment and Reorganization of the Debenture Indebtedness of the Corporation, dated December 1st, 1939, and is making application for an Order of the Board approving, authorizing, ratifying and confirming the Plan and rendering the same binding upon all persons affected thereby.

AND FURTHER TAKE NOTICE that the Board intends to deal with the said application at its Chambers in the Parliament Buildings, Toronto, on Thursday, the 21st day of December, A.D. 1939, at the hour of 10.30 o'clock in the forenoon and that the Board intends to exercise, if the facts and conditions shown so warrant, any or all of the powers conferred upon this Board under Part III of the Department of Municipal Affairs Act and all other authority thereunto enabling.

AND FURTHER TAKE NOTICE that details of the Plan may be obtained from the offices of the Secretary to the Township of York Debenture Holders' Protective Committee, W. F. McIlroy, Tenth Floor, 302 Bay Street, Toronto, Ontario, or of the Department of Municipal Affairs, Parliament Buildings, Toronto, Ontario, or of the Clerk of the Township of York, 40 Jarvis Street, Toronto, and copies of the said Plan will be available in due course and may be obtained from the said offices.

DATED at Toronto this 5th day of December, A.D. 1939.

M. B. SANDERSON,
Acting Secretary of the Board.

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Barber-Ellis of Canada, Limited
TORONTO - BRANTFORD
BRANCHES FROM COAST TO COAST

Bond Markets

Broadened Conflict May Influence Bonds

Prices Fluctuate in Narrow Range in Week of Quiet Trading — Activity is Not Expected to Resume Until New Year

As the Christmas season approaches, it becomes evident that events of the first magnitude will be necessary to move the bond market from its lethargy. Not that events on the international front could be classed as inconsequential, but the bond investor for the moment is more interested in domestic financial affairs. Little activity is expected to occur until the New Year.

The Soviet invasion of Finland may have much more effect upon Canada than is generally believed. War on a greater scale may increase demands upon the Dominion, as a granary and arsenal of the Allies.

• • •

Ontario's Well Received

Against this ominous backdrop the bond market has proceeded this week with extremely quiet trading Ontario's $12 million offer was immediately taken up by the public, once again demonstrating the good credit standing of the province. The debentures quickly sold to a small premium.

Over the week Dominion obligations declined fractionally, with the greatest declines in the longer term issues. Ontario issues were largely unchanged, while British Columbia issues moved down about a quarter of a point on the average.

The industrial and utility market was featureless. Minnesota and Ontario Paper bonds were up 1¼ as the company moved nearer to reorganization. Consolidated Paper 5½'s of 1961 were up 3½ points.

• • •

Municipal Issues Sold

There were numerous municipal debentures sold to investment dealers during the week, and prices generally reflected the high credit ratings of the municipalities. Debentures of such municipalities as Owen Sound, Granby, London and Kitchener were bid for by a large number of investment dealers. The London issue was placed directly by the purchaser with a private source. Cost to municipalities has been little more than that paid by Ontario, which in turn is second only to the Dominion.

Speculation still centres around the proposed Dominion loan. Some sources believe that it may be delayed beyond the point first scheduled. Originally it was thought that the loan would appear early in the New Year. All these questions remain in the realm of conjecture. They are nevertheless of great importance to bond markets.

• • •

War Loan Precedent

Whatever the amount of the new loan will be or what interest coupon it will carry, it is almost certain that it will be directed to the small investor, with emphasis on the patriotic appeal.

The last Great War established this procedure for raising funds to wage war. Prior to that, the bond was not considered as investment medium for the small investor but with offerings over a period of years, buying Government bonds became the accepted methods of securing savings. The following figures illustrate the great increase in subscribers to Government loans from the outset of war to the finish and the amounts raised:

Canadian Government War Loans

Description	Amt. $ (000,000)	Subscrib.
5%, 1915-25	100	24,862
5%, 1916-31	100	34,526
5%, 1917-37	139	41,000
5½%, 1917-37 (Victory .	398	820,035
5½%, 1918 (2nd Victory	660	1,067,879

• • •

War Debt Increase

In addition to these loans; war savings certificates to the amount of approximately $12.5 millions, as well as considerable debenture stock, were sold. The Government's borrowings from the Canadian people during the war totalled $1,436 millions, or in terms of population of Canada at the end of the war, $192 per capita.

Net debt of Canada stood at $336 millions before the war. Canada emerged from these four years with a debt of $1,307.4 millions, the increase being attributable almost entirely to war expenditures.

These figures make rather alarming reading if translated to terms of what the present war might mean to the Dominion. War today is believed to be a much more costly business than it was in 1914-18.

• • •

Private vs. Public Sales

In the U. S. private sale of bonds has assumed much more serious proportions than in Canada. It is nevertheless good food for reflection that private sale of bonds has yet to be proved cheaper to the issuer than public sale.

Kansas City, Mo., which has usually resorted to private sale of its debentures, recently tried one of its few public bond sales. It obtained a low net interest cost of 2.66%. A recent comparable private sale brought a net interest cost of 2.81%.

This case was quoted recently by the Civic Research Institute of Kansas City, which urged the Missouri Legislature to pass a bill requiring the public sale of all state municipal bonds.

• • •

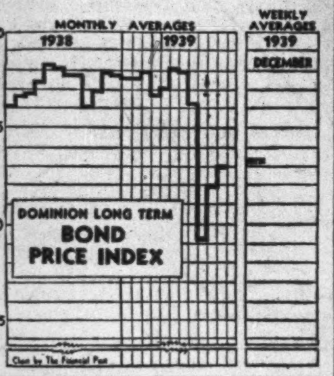
Bond Index

DOMINION OF CANADA
Long-term Bond Index

	Latest week Dec. 1-7	Preceding week Nov. 24-30	Weekly average year ago
Price	113.2	113.3	117.8
Yield	68.7	68.9	61.6

Great West Saddlery Pays $3 on Preference

The Great West Saddlery Co. has declared a dividend of $3 a share on the 6% first preference stock, of $50 par value, payable Dec. 27, to shareholders of record Dec. 31. Last previous payment on April 1, 1938, was for 75 cents a share.



B. A. Oil Sells Serial Bonds

Company Forestalls Interest Rise to Supply Working Capital Needs

British American Oil Co. has disposed of $2 millions in 3¼% serial debentures. The issue was handled by A. E. Ames & Co. and was placed privately with banks and other institutions.

New bonds mature in equal annual installments of $500,000 in each of the years 1945 to 1948, inclusive. The debentures are subject to redemption at any time prior to maturity, in whole or in part, at a premium of one half of 1%.

This makes the second time this year that British American Oil Co. has raised additional capital through sale of debentures. In Aug., 1939, the company disposed of $4 millions of 2-3% serial debentures through private sale by A. E. Ames & Co. Last year the company raised $3 millions in new capital through sale of 150,000 shares of stock at $20 a share to English interests. Proceeds of the $4 millions of debentures sold last August were largely used to redeem $3.1 millions of 4% debentures. Giving effect to the latest financing, the company will have $12.5 millions of funded debt outstanding.

Need Working Capital

A. L. Ellsworth, president, states that the company is taking advantage of present low interest rates to provide additional working capital. Increased inventories have to be carried because of the war, while changes in marketing policy, announced at the last annual meeting, require the use of substantially larger amounts of working capital. This financing will enable the company to have adequate cash reserves and is also carried out "in the belief that, due to money market conditions, the financing could be arranged now on a basis more favorable to the company than at a later date."

It is said that all the new capital is to be employed in Canada and none of it will be used in the United States, where American subsidiaries have been able to finance current expansion from their own funds and earnings.

Eastern Light Refunds Bonds

Issue Also Provides Funds to Pay Off $285,000 of Notes

From Our Own Correspondent

MONTREAL.—W. C. Pitfield & Co., Montreal investment dealers, is making a public offering of $1 million of first mortgage and collateral trust 25-year 4% bonds of Eastern Light and Power Co. at 99¾ and accrued interest.

Proceeds are to be used in part to refund the company's present 5% first mortgage bonds, due 1964, and in part to liquidate demand loans which were incurred for the purpose of acquiring all the outstanding securities of Dominion Utilities Ltd. The company's 5% bonds outstanding to an amount of $583,000 are being called for redemption at 103 on May 1, 1940.

In addition to the common shares of Dominion Utilities which were purchased in 1937, Eastern Light and Power is to acquire $300,000 principal amount of 5% first mortgage bonds of Dominion Utilities.

Purchase price paid by the underwriters for the issue is 96¾ and accrued interest.

$1,000,000
Eastern Light & Power Co. Ltd.
4% First Mtge. and Collateral Trust Bonds
Dated: Jan. 2, 1940. Due: Jan. 2, 1965.

Company—A Nova Scotia incorporation supplying electric light and power to Sydney, N.S., and surrounding towns and district, with a combined population exceeding 50,000. Through Dominion Utilities Ltd., a subsidiary, it distributes electricity in New Waterford, Birch Grove and Port Morien and sells power wholesale to the Town of Dominion. The subsidiary also owns and operates the water system in New Waterford.

Capitalization—	Author.	Outstand.
1st mtge. bonds	$1,500,000	$1,000,000
Common stock, par value $10	1,000,000	600,000

Earnings—Average annual earnings for the past four years and nine months ended Sept. 30, 1939, before deducting depreciation, have been equivalent to 3.20 times interest requirements on the new bonds. Average earnings after depreciation have been equal to 2.47 times interest requirements.

Assets—Electric properties as at Sept. 30, 1939, were carried at $1,024,684, being the appraisal value as approved by the Public Utilities Board in 1931, with subsequent additions at cost, less reserve for depreciation. Investments in and advances to Dominion Utilities totalled $434,634.

Security—A specific first mortgage and charge on all properties of the company, present and future, and on $300,000 principal amount of 5% first mortgage bonds of Dominion Utilities and a floating charge on all other assets.

Expect Better Year

Earnings of Eastern Light & Power Co. in the first nine months of the current year indicate that profits will be higher than in 1938.

Gross earnings for the period amounted to $319,576 and operating expenses to $222,946, leaving a net operating income of $96,630. This compares with net operating income of $116,235 for the entire 12 months of 1938.

Other income for the nine months amounted to $18,948 and provision for depreciation totalled $31,043. Thus, net earnings available for interest, income taxes and amortization of bond expenses amounted to $84,535 as against $109,476 in the whole of 1938. Depreciation provision of $31,043 for the nine-month period is $2,228 higher than was provided in the entire 12 months of 1938.

Subsidiary Earnings Up

Dominion Utilities, a wholly-owned subsidiary, reports net earnings of $20,883 in the nine months ended Sept. 30 available for interest and dividends. This is after deducting depreciation and income tax and compares with $20,232 in the whole of 1938.

Current assets of Eastern Light & Power at Sept. 30 amounted to $109,384 and current liabilities, exclusive of a demand note of $285,000, amounted to $50,998, leaving a net working capital of $58,386.

RUSSELL INDUSTRIES

Russell Industries Ltd. has advised the Toronto Stock Exchange that, pursuant to the company's offer of Sept. 15 to redeem 1,600 shares of preference on Dec. 1, 1939, 600 preference shares were redeemed at $126.17 a share. This includes premium and dividend to that date. Issued capital is now 9,000 preference shares and 8,000 common.

Ride the
FLORIDA SUNBEAM
WEST COAST
EAST COAST
ST PETERSBURG
CENTRAL FLORIDA
WEST PALM BEACH
MIAMI

The SHORT-CUT to SUNshine

Lv. Detroit . . 11:45 P.M.
Sleeping Cars Open 10:00 P.M.

Don't let Winter get you. Head South in a hurry! There are endless days of SUNSHINE at the end of the rail trail in Florida. Find new health, new happiness in *your* place in the sun. Ride the "Sunbeam" to Florida. Fast, direct, scenic route to east coast, west coast and central Florida.

COMPLETELY AIR-CONDITIONED

Travel in safety and comfort by rail. The cost is moderate whether you have a berth, a section, a bedroom, a compartment, a drawing-room or a comfortable reclining seat in a modern, de luxe coach. Lounge cars. Your "Florida Sunbeam" ticket permits you to visit *both* coasts of Florida and stop over at Asheville, N.C., at no extra cost.

Two Other Trains to FLORIDA Daily
PONCE DE LEON ROYAL PALM
Lv. Detroit 11.35 a.m. Lv. Detroit 11.45 p.m.
Trains leave Michigan Central Terminal

TICKET YOUR AUTOMOBILE
—at low cost. Ask Ticket Agent

NEW YORK CENTRAL SYSTEM
Phone ELgin 8173
SOUTHERN RAILWAY SYSTEM

Bond Sales

Pickering Township, Ont.

Dyment, Anderson & Co. has purchased $11,000 4% 20-installment debentures of Township of Pickering, Ont., dated Dec. 15. The issue was bought at 103.27.

• • •

Wiarton, Ont.

The Town of Wiarton, Ont., has sold $3,000 3½% 10-year installment debentures to Dyment, Anderson & Co. at 99.00.

• • •

Kitchener, Ont.

Kitchener has sold $43,000 of installment debentures to The Dominion Bank at 99.82, representing a cost basis to the city of 2.55%. Following is the list of bids submitted to the municipality:

Dominion Bank	99.82
Fry & Co.	99.08
McLeod, Young & Weir	98.75
Harrison & Co.	98.33
Mills, Spence & Co.	98.00
Dominion Securities Corp.	97.866
Cochran, Murray & Co.	97.537
Dyment, Anderson & Co.	97.48
Wood, Gundy & Co.	97.46
Midland Securities Corp.	97.385
A. E. Ames & Co.	97.17
Fairclough & Co.	96.31

• • •

Kingston, Ont.

Kingston, Ont., has sold four issues of serial debentures, totalling $76,680 to James Richardson & Sons at 101.593, representing an average cost basis to the city of 3.09%. The debentures are comprised of: $30,000 of 3% debentures, due Nov. 1, 1940-44; $27,000 of 3½% debentures, due Nov. 1, 1940-54; $6,800 of 3½% debentures, due Nov. 1, 1940-54, and $12,980 of 3½% debentures, due Nov. 1, 1940-55.

List of bids submitted to the city was as follows:

	Bid
James Richardson & Sons	101.593
Cochran, Murray & Co.	101.06
Harris, Ramsay & Co.	100.895
Wood, Gundy & Co.	100.82
Mills, Spence & Co.	100.78
R. H. Chambers & Co.	100.77
Dyment, Anderson & Co.	100.70
Midland Securities Corp.	100.58
Harris, MacKeen, Goss & Co. ...	100.41
Burns Bros. & Denton Ltd.	100.32
Harrison & Co.	100.276
Nesbitt, Thomson Co.	100.18
Dominion Securities Corp.	100.086
A. E. Ames & Co.	100.05
Fairclough & Co.	99.919
McLeod, Young, Weir & Co.	99.77
Fry & Co.	99.27
Bell, Gouinlock & Co.	98.60

Barrie, Ont.

The Town of Barrie, Ont., has sold to Imperial Bank of Canada and Royal Securities Corp. $80,000 of 4%, 15-year installment debentures at 103.79, which represents a cost basis to the municipality of 3.47%.

Bids submitted follow:

Imperial Bank .... Royal Securities Corp.	103.79
F. L. Craig	103.60
Wood, Gundy & Co.	103.53
Bell, Gouinlock & Co.	103.15
Dominion Securities Corp. ...	103.07
Hanson Bros. Inc.	103.05
Bank of Toronto	103.00
Mills, Spence & Co.	102.84
McLeod, Young, Weir & Co. .	102.81
Midland Securities Corp.	102.712
A. E. Ames & Co.	102.67
Dyment, Anderson & Co.	102.66
Fairclough & Co.	102.61
Harris, MacKeen, Goss & Co.	102.60
Harrison & Co.	102.278
J. L. Graham & Co.	102.078
Cochran, Murray & Co.	102.067
Nesbitt, Thomson & Co.	102.01
C. H. Burgess & Co.	101.711
Fry & Co.	101.57
Burns Bros. & Denton	101.07
R. A. Daly & Co.	100.90

S. H. LOGAN
President of The Canadian Bank of Commerce
Whose address before the Bank's Annual Meeting featured the remarkable economic transformation of Canada in recent years, which he believed would help to tip the scales in the Allies' favour. The text of Mr. Logan's address appears elsewhere in this issue.

Harding to Pay Extra Dividend

Harding Carpets Ltd. has declared an extra dividend of 5 cents a share on its common stock, payable along with the regular semi-annual dividend of 10 cents a share on Jan. 2, to shareholders of record Dec. 18; ex-dividend Dec. 15. Semi-annual dividends of 10 cents a share have been paid since Jan. 2, 1937.

In the annual report for the year ended Oct. 31, A. E. Cuthbertson, president, stated that business promises to be active for the next few few months, although under war conditions it is impossible to predict far ahead. The company feels that prospects for the future are encouraging.

An additional 1,008 shares have been taken up at $3 a share by officers of the company, according to the amended option agreement of Aug. 2, 1935.

Greetings
Craven A
CIGARETTES
A Merry Xmas

Your *best* wishes go with the *best* of gifts . . . the mildest of cigarettes . . . the ever-popular, cork tipped
CRAVEN "A"
Special Christmas Boxes Ready to Send
70¢
CRAVEN PLAIN—for those who prefer plain tips—are also obtainable in Christmas packages

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipality—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Kingston, Ont.	Dec.	James Richardson & Sons	3% 3½% 3½%	1940-44 1940-54 1940-55	$30,000 33,800 12,979	101.593	3.09%
Barrie, Ont.	Dec.	Imperial Bank, Royal Securities Corp. ...	4%	15-ins.	80,000	103.79	3.47%
Wiarton, Ont.	Dec.	Dyment, Anderson & Co.	3½%	10-ins.	3,000	99.00	3.69%
Pickering Twp., Ont.	Dec.	Dyment, Anderson & Co.	4%	20-ins.	11,000	103.27	3.65%
Sayabec R. C. Schools, P.Q.	Dec.	L. G. Beaubien & Co.	4%	1940-49	34,500	97.50	.....
Owen Sound, Ont.	Dec.	A. E. Ames & Co.	3½%	5-20 yr.	53,001	101.85	.....
Parrsboro, N.S.	Dec.	Burns Bros. & Denton	4%	1940-54	27,500	....	3.90%
London, Ont.	Dec.	Bank of Toronto	2½%	1-4 yr. ser.	200,000	100.75	2.11%
Granby, P.Q.	Dec.	Mead & Co.	4%	30-yr. ser.	90,000	102.265	.....
Provincial—							
Ontario	Dec.	Wood, Gundy & Co. and Syndicate	3½% 2½%	1951 1944	9,000,000 3,000,000	*99.75 *100.00	3.52% .....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered By	Rate	Due	Amount	Price	Yield
British American Oil Co.	Dec.	A. E. Ames & Co.	3¼%	1945-48	$2,000,000	....	.....
Eastern Light & Power Co.	Dec.	W. C. Pitfield & Co.	4%	1965	1,000,000	99¾	.....

*Offering price.

Gas rates for central home heating radically reduced

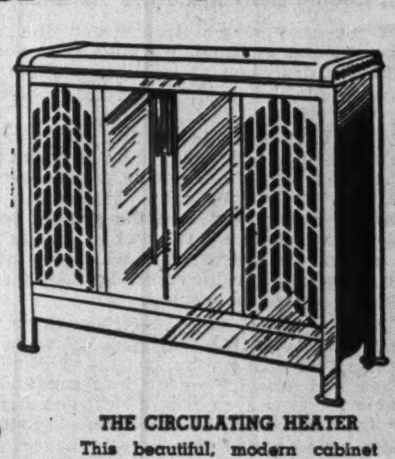
● Think of the marvellous convenience of heating your home with GAS. All the usual winter furnace tending drudgery vanishes the moment you decide to use GAS for home heating. Gone are the bothersome and annoying trips to the cellar; no more ashes to shake, sift and remove. Instead — you have clean, warm, uniform heat that saves you dollars in doctor's bills. A thermostat regulates the heat and frees you completely from all heating worries.

GAS heating is economical—the new low home-heating rate makes it so.

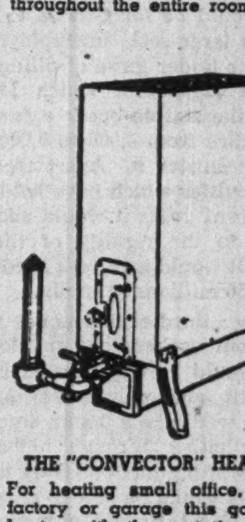
Heat with Gas.. for CAREFREE COMFORT

You'll also find Gas for auxiliary heating so quick and clean—There's no—"ALL RIGHT, BUT YOU CLEAN UP AFTER IT!" . . . No waiting either for the fire to burn. GAS springs into action at the turn of a valve. And, more important — there is no waste of fuel. You can control the consumption, and have exactly the warmth you want when you need it.

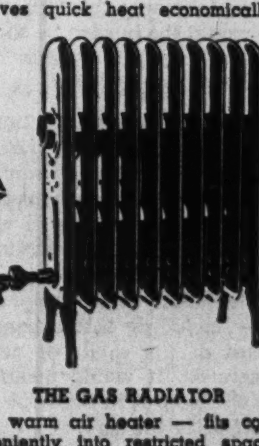
There is a choice of auxiliary gas appliances for every home. Prices are reasonable. An inquiry today will convince you how satisfactory gas is for quick, clean heat.



THE CIRCULATING HEATER
This beautiful, modern cabinet heater is entirely automatic. Keeps air circulating freely, thus ensuring maximum warmth throughout the entire room.

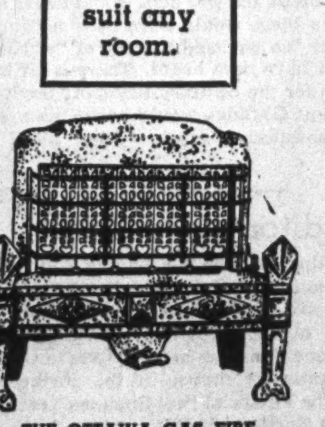


THE "CONVECTOR" HEATER
For heating small office, store, factory or garage this gas-fired heater with thermostatic control gives quick heat economically.



THE GAS RADIATOR
A warm air heater — fits conveniently into restricted space. Automatic temperature control regulates its money - saving operation.

Gas fire models to suit any room.



THE OTTAWA GAS FIRE
Radiates a flood of cheerful, healthful warmth. Adds to the attractiveness of any room.

The CONSUMERS' GAS Company
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2532 YONGE ST. MO. 3517
732 DANFORTH AVE. GL. 4648

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TORONTO, DECEMBER 16, 1939

The Financial Post Editorial Platform for Canada

Winning the war has become the focal point for national and personal effort in Canada. This requires full mobilization of the nation's material and spiritual resources. To the fullest degree this should be obtained by individual effort, freely made. Strong national leadership will inspire service and sacrifice that will reduce the need for regimentation and compulsion.

The Financial Post believes such objectives require:

1. *Strengthening cabinet leadership by drawing upon Canada's best executive brainpower irrespective of political considerations.*
2. *Elimination of public and private waste.*
3. *Pay-as-we-go financial policy.*
4. *Planning the war effort with the post-war as well as the emergency needs in mind.*

In achieving these objectives the spirit of sacrifice and unity in Canada can be used in finding sound, long-term solutions to problems left unsolved in the idle days of peace.

War and Jobless Insurance

If this war lasts any considerable time, Canadian wage-earners will be drafted into work which will peter out abruptly when the fighting is over. Some of these men and women will save enough to tide them over while they hunt new jobs. Thousands of them will fall back on relief or public works.

How can Canada act now to anticipate this post-war dilemma?

Recent war contracts have already made allowance for machinery and equipment which will be of little use when war is over. What about the men who operate these machines? Should anything be done to assist them in tiding over the inevitable post-war period of unemployment and maladjustment?

* * *

A clue to the fact that Ottawa is seriously considering this problem may be found in the appointment last week of Professor Mackintosh of Queen's University as special economic adviser to Finance Minister Ralston. Speaking at Toronto a few weeks ago, Professor Mackintosh (who for two years gained wide knowledge of unemployment problems in Canada as a member of the National Employment Commission) made this statement:

> "You cannot make a gigantic war effort and have business as usual. We must endeavor to make the distortion as small as possible. In other words, be as economic as possible in our war effort.
>
> "What I speak of as distortion means simply the marshalling of workers and equipment into enterprises which will not be profitable after the war. It will be wise economically for business, government, and the general population if we write off the cost of that as fast as we can. Because much of what goes into it will have lost its value when the need for the war effort has disappeared.
>
> "And it is not only material which you must write off. We will have to write off depreciation of labor by systems of dismissal wages and unemployment insurance which enable the employee, whose skill acquired is, for the time being at any rate, obsolete, to find a new place in peacetime."

* * *

A tempting but dangerous solution of this problem would be for Ottawa to rush headlong into a large-scale unemployment insurance scheme under guise of filling a wartime need. The legislation which Mr. Bennett placed on the statute books a few years ago would require from 3,000 to 5,000 civil servants to administer it. Apart from constitutional difficulties which have held it in abeyance in recent years it would add greatly to costs and to the rigidity of the Canadian economy. It would involve a fund of between $50 and $150 millions annually.

In theory a third of this money would come directly from workers' pay envelopes; the remainder would be apportioned between the Government and employers. Actually the entire sum would be a tax on employee earning power either through higher taxes or added costs of production. Only to the extent that Canada would be able to charge and collect from Great Britain a higher price for munitions to finance this "labor depreciation" charge would the burden be shifted to British rather than Canadian citizens.

* * *

Other alternatives to a national jobless insurance plan would be to make provision in government contracts for some type of dismissal wages or employee savings or annuity funds. Or certain designated wartime industries might be used as a test-tube laboratory for a very limited insurance plan. In each case the contribution of industry could only be made by including this expense as a legitimate cost of the shells or other munitions manufactured. It would mean paying more for our shells now, in the hope of paying less for relief after the war.

In the past there has been too ready acceptance in Canada of the need and inevitability of a nation-wide unemployment insurance programme. Sponsors of this legislation are usually oblivious to the fact that such a scheme is the top story—not the foundation—in any sound plan of social security for Canadian wage-earners.

To erect under the guise of war need a top-heavy, inflexible insurance programme would be to bite off much more than this country can yet chew in the way of security legislation.

The South American Market

The British blockade of Germany's exports opens a quarter of a billion dollar trade prize in South America and Mexico. Germany's exports to these two areas totalled no less than $257 millions annually.

In addition there is a chance to capture a larger share of other business with countries which normally do a total trade of $1.5 billions annually. For these markets, Great Britain and the United States are now actively competing.

What about Canada?

What are Canadian manufacturers doing either singly or collectively to take advantage of this situation?

What steps are being taken by Ottawa and by Canadian exporters to extend and improve our relationships with South America?

Admittedly the trade and output of most countries in South America is partly complementary. These countries produce agricultural and other raw materials for export. Their imports are not dissimilar to our own. But careful analysis of the trade formerly held by Germany reveals that Canada's opportunity is much greater than that of United States. The U.S. trading position is much nearer to being complementary than is that of Canada. In addition Canada has the added advantage of a substantial exchange differential.

Reference to these opportunities was made this week by Sydney H. Logan, president of the Bank of Commerce. Speaking at the bank's annual meeting he said:

> "Canada can supply the United States and Latin America with numerous products which they formerly imported from Europe to the value of many millions of dollars annually, but which either are not available at present or are more expensive than formerly. There are, therefore, greater foreign trade opportunities in the Americas than we have ever had before, and it is to be hoped that full advantage can be taken of them and of other normal developments so that we may have a postwar economy more easily adjustable to peacetime conditions than that which we had to reconstruct in the several difficult years after 1918."

The experience of a score or more of alert Canadian manufacturers has proved that Canada, by willingness to adapt her products to meet local needs, can easily and profitably trade with South America. What is required is a careful study of the market and a willingness to give some time and thought to merchandising "the South American way," articles which we can produce competitively in Canada and for which increased export sales would be highly desirable.

The war, with its effect on exchange and on European sources of supply, has given Canada a wide-open chance to improve its South American business.

Helpful Criticism in the War

In the last Great War vigilance and constructive criticism of government activities saved Canada many millions of dollars. This is the conclusion of Grant Dexter, Ottawa correspondent of the Winnipeg Free Press. Mr. Dexter has written for his paper three very informative articles on the subject of political controversy in 1914-18. He tells a comprehensive story of the controversies between government and opposition, and records the many unhappy scandals and examples of official bungling that would not have been brought to light if there had not been wide-awake criticism by an alert opposition. (The opposition, by the way, was the party that is now charged with responsibility for Canada's effort in this war.)

Mr. Dexter believes that petty partisanship went too far, with some injury to national unity, but he concludes:

> "It was the Opposition party that exposed scandal after scandal; that compelled a complete change in government methods of war purchasing; that drove incompetent ministers out of their offices.
>
> "Failing such an opposition, backed by a vigorous press; failing such constant criticism and vigilance, it staggers the mind what the cost of the 1914-18 war might have been."

The record shows that the vigilance of the Liberal opposition uncovered—and remedied—such scandalous evils as wretched footwear supplied to the First Contingent; purchase of decrepit horses from party men; and frauds or profiteering in binoculars, surgical dressings and other items. "For a time, in 1915," says Mr. Dexter, "there was a new scandal every week."

* * *

It is of value at this time to recall the attitude taken by the Prime Minister, Sir Robert Borden, when scandals were unearthed in his government. The public accounts committee and Royal Commission investigated evidence of government wrong-doing. Two Conservatives were read out of their party.

"I do here express my very grave disapproval of their conduct," Sir Robert said.

Mr. Dexter's article makes reference to detailed criticism of defense contracts "now appearing in the press." This is an obvious reference to The Financial Post's articles. He says:

> "In some quarters, particularly at Ottawa, this criticism is resented. It is held to be disloyal, to detract from our war effort. High officials are kept so busy checking the records to find out what truth there is in the charges now being made, that they have little time to do their work. Thus it is argued, and often with heat, that the critics are helping Hitler.
>
> "There is a demand among the more resentful, for suppression, for censorship. Criticism in wartime, it is contended, is a kind of sabotage and should not be permitted."

There is no indication, in Mr. Dexter's opinion, that the Government is sympathetic to this point of view. The Government, he asserts, stands pledged to eliminate political patronage and influence from the fighting services and from war contracts and has done nothing to throttle criticism.

Public opinion, of course, would not stand for any obstruction to helpful, necessary criticism. It would be more important to know the Government's attitude on some other phases of the matter.

* * *

There is a widespread demand in Canada that patronage be eliminated not only in war contracts, but in all phases of government. In modern totalitarian warfare, waste and inefficiency in any branch of government weakens the nation in its struggle against the enemy. There is no indication that Prime Minister King and his ministers have any intention of barring out political favoritism in any activity of government other than those immediately connected with military appointments and the purchase of military supplies.

A second very real problem exists. Sir Robert Borden read out of his party men whose conduct had distressed the whole country. Mr. King's answer to the inefficiency and political favoritism in the Department of National Defense under Hon. Ian Mackenzie has been to retain the responsible minister as a member of his cabinet and to put him in charge of one of the most important spending departments.

Cutting Christmas Trees

An official bulletin just released by the Dominion Forest Service should finally rout the ancient bogey that Christmas tree cutting is harmful. Each year the practice has been roundly condemned by Scroogelike editors who seriously maintained that this drain on our forest wealth would prove fatal. Now the facts are laid on the table and they uphold the cutting of Christmas trees as a legitimate and desirable industry.

The best of these festive little trees, it is pointed out, come from open waste land where side limbs have an opportunity of growing normally and symetrically. Never would such develop into first-class lumber or pulpwood because this only comes from long, straight trunks of trees grown close together. Moreover total land required to supply in perpetuity Canada's $400,000 annual Christmas tree trade would be only 200 square miles compared with a total area in farm woodlots of 50,000 and a total forested area of almost half the Dominion.

Sums up our bulletin from Ottawa:

> "The use of forest land for a Christmas tree crop is not wasteful or profligate, indeed, on the sound basis of economics the very opposite is true. On the ground required to grow one mature spruce tree, with a stumpage value of, say, $1.25 at 80 years, a total of 50 to 60 Christmas trees may be raised, having an aggregate value at least four times as great."

And so let us forget the lamentations of those doleful statisticians who take a morbid delight in figuring the amount of potential lumber and newsprint destroyed, every time a truckload of Christmas trees rolls into town. Let us rejoice with the little folk who have never doubted the wisdom of this custom just as they have never doubted Santa.

The Canadian Editorial of the Week

Finland's "War Debt"

St. Thomas Times-Journal

American people are taking a greater interest in the fate of Finland than they are in the fate of Poland, chiefly because they have a tender feeling toward the Finns for meeting their debt payments on time without fail. There is scarcely an American citizen who does not speak of Finland paying its "war debt." The same expression is employed by editors, including some of those on the leading dailies, and at the same time they accuse Great Britain and France of "welshing," thus making an invidious and erroneous comparison, taking no account of the foolishly made, foolishly accepted and impracticable terms of settlement.

The Finland debt is not a war debt at all. It is money loaned to Finland in 1919 and later, for internal rehabilitation. The debt was funded at $8,195,000, with interest of one-quarter per cent. The British debt was funded at $4,368,000,000 and seven times that rate of interest. When Great Britain suspended paying she had returned $2,024,848,817, or very nearly half the principal, in a few years, yet the interest payments brought up the aggregate obligation to $11,105,965,000, spread over a period of 62 years. In other words, the interest on the British debt of $4,368,000,000 amounted to $6,737,000,000. Finland has now paid off $5,656,598.

If Britain had been granted the same rate of interest as Finland the debt would have been liquidated long ago.

The British Government spent over $4,000,000,000 in cash in the United States for war supplies and foodstuffs before resorting to the big line of credits. Manufacturers, large and small, became millionaires; every worker, every farmer, made more money than they ever dreamed of. To use good American idiom, they became "lousy with money."

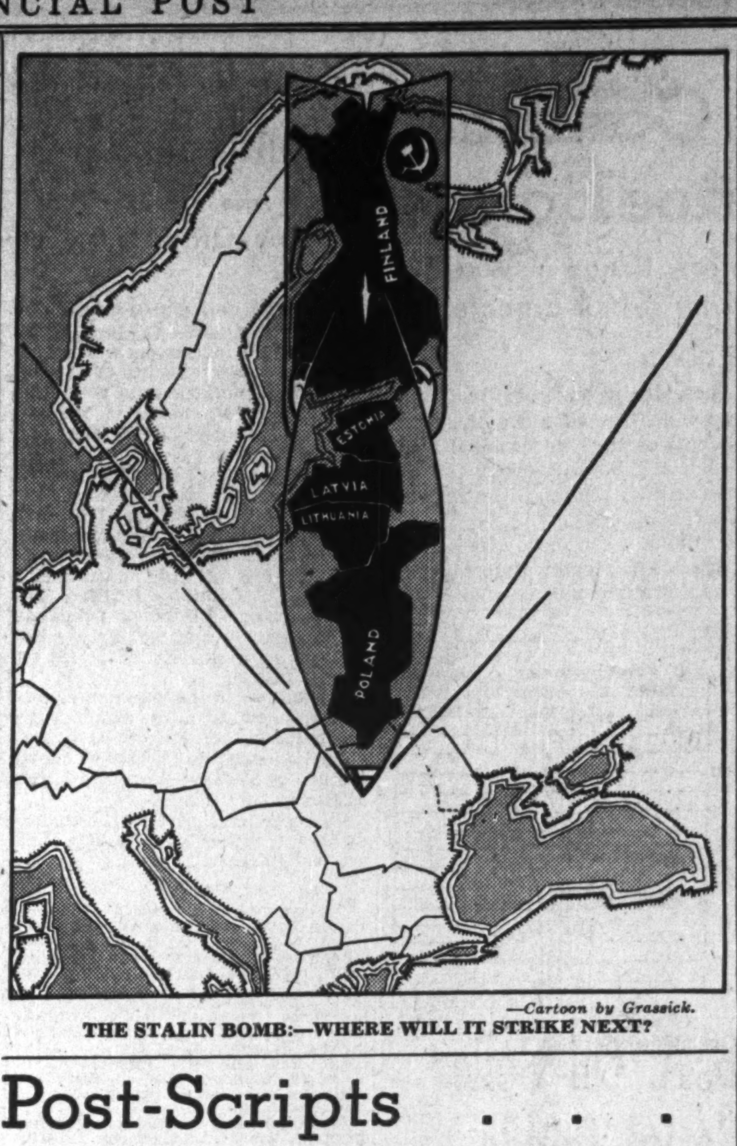
The obvious fact is that all these things were sold to the Allies at profiteer prices. If fair prices had been fixed, if only, say, a 10% boost had been allowed, the war debt would never have arisen. Then there would have been nothing to "settle" after the war and the cry of "welshers" would never have been heard. There is far more justification for the contrary name of "Shylock." And President Coolidge would never have made his silly, unthinking crack, "They hired the money."

Editorials in Brief

Commending Ontario for having contributed more than half the Red Cross campaign total, the Ottawa Journal says the province has "less than one quarter of the population" of Canada.

Actually one Canadian in three lives in Ontario. The 1939 ratio as shown in the forthcoming edition of The Financial Post Business Year Book and Market Survey is 33.2%.

And Ontario, by the way, with 34% of the gainfully employed and 34% of the national wealth, produces 45% of the national income, 52% of Canadian manufacturing production and 41% of total Canadian retail sales.



—Cartoon by Grassick.

THE STALIN BOMB:—WHERE WILL IT STRIKE NEXT?

Post-Scripts . . .

Brilliant Irishman

It is told of John J. Hearne, Ireland's High Commissioner at Ottawa, that he was seated at his desk in the League Assembly at Geneva on the day that one of the spectators produced a gun and shot himself.

JOHN J. HEARNE

At the moment the shot rang out one of the British delegates was leaning over Mr. Hearne's desk reading a document with him. Mr. Hearne never turned his head. "That," he said, "was a twenty-two."

Mr. Hearne is the latest recruit to Ottawa's diplomatic corps and is regarded as one of the outstanding Irishmen of his time. To our public men and to the leading officials at Ottawa, he was no stranger. He came as an old friend. The rank and file of Canada, however, are not aware of how distinguished a man he is and of the part he has played not only in the recent history of his own country, but in the latter-day development of the British Commonwealth. It is amusing, in looking over the sketches of him that have been published, to notice how carefully Mr. Hearne's part in Ireland's troubles prior to the Irish treaty has been omitted.

* * *

Mr. Hearne is 44 years of age. He would have been in his late 'teens and early twenties when the rebellion was at its height. These years, however, seem to have left their mark. He is slender, quick moving, clean shaven. But he is greying and, superficially, appears somewhat older than he actually is.

As a speaker he is as eloquent as he is witty. It is in no way remarkable that this should be so as he is one of the foremost constitutional lawyers of the Empire.

Mr. de Valera described him as the "architect-in-chief and author of the constitution of Ireland." That is to say, he wrote the constitution of his country. As legal adviser to the Government of Ireland he attended the 1926 Imperial Conference out of which came the stuff of the Statute of Westminster. His friendship with Mr. King and Mr. Lapointe dates from 1926, but in all probability he was an intimate friend of Dr. O. D. Skelton, under-secretary of External Affairs, long before 1926. It is said, by those who have tried it, that if you want access to every leading politician and public official in Dublin, your one sure passport is a letter of introduction from Dr. Skelton.

Mr. Hearne naturally, followed up the 1926 conference by representing Ireland at the 1929 conference on Dominion legislation. He was one of the framers of the Statute of Westminster. In 1930 he sat at the Hague with the jurists whose job it was to codify international law. In 1932 he represented his country at the Disarmament Conference and from 1930 and 1933 he was a member of the Council of the League.

* * *

This is, indeed, a distinguished background for a man of 44 years. And it goes without saying that Mr. Hearne is more deeply engaged at Ottawa than in attending to the commercial and diplomatic business of Ireland. There has never been an announcement, of course, indicating that he was on special assignment, but bearing in mind his part in the constitutional development of his country and the place which Canada holds in the thoughts of Irishmen, it goes without saying.

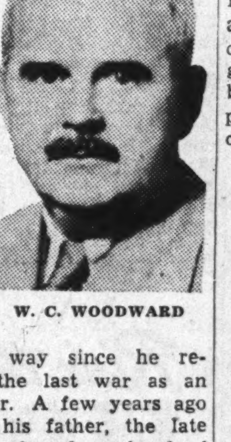
Canada is the model of the British Commonwealth of Nations. The institutions under which self-governing nations are joined together under one crown were fashioned here and at London. Canada was, in reality, the laboratory experiment of Britain's greatest achievement in empire building — an achievement without parallel in the history of the world. And Canada, as well, is a country which has solved completely difficult problems of religion, education and nationality. Perhaps Mr. Hearne is studying the place of Quebec in the Canadian confederation with an eye to the union of Ulster and Eire.

He comes, this Irish High Commissioner, from Waterford. His father was a boot manufacturer and thrice mayor of the town. Mr. Hearne had a brilliant scholastic career and was an outstanding member of the Irish bar before entering the public service of his country.

* * *

Vancouver's Choice

Even if western Canada gets no further representation on the War Supply Board it will be well pleased to have W. C. "Billy" Woodward of Vancouver as a member of that body. Mr. Woodward is well equipped to act in liaison capacity between Ottawa and Pacific coast interests. He has long been interested in Alberta business as well.



W. C. WOODWARD

Mr. Woodward has gone a long way since he returned from the last war as an artillery officer. A few years ago he succeeded his father, the late Charles E. Woodward, as head of the great departmental mercantile house bearing his name. He was one of British Columbia's representatives on the Bank of Canada when it was first organized.

Mr. Woodward was born in Gore Bay, Ont., 54 years ago. He went west with his parents as a boy, receiving his education in the public and high schools of Vancouver. His father, beginning an almost fabulously successful career as merchant, had two sons and he wanted them to take their part in the management of the growing business. He wanted one son to specialize in the mercantile department, the other to be the financial expert. He chose Billy for the latter and, to give him a grounding in that sort of work, placed him in a Vancouver branch of the Royal Bank as junior. Forty years later the enterprising junior became one of the bank's directors.

* * *

Young Billy Woodward spent six years with the bank, most of that time in Cuba where he learned the operations of the sugar business as part of his education. Then he returned to Vancouver to join his father and his brother, P. A., who had already taken over charge of the merchandise end of the firm.

"I didn't step into any glorified private office as the boss's son," says Mr. Woodward. "I was told to roll up my sleeves and go to work. I did just that, and it was a long time before I had any authority around the store."

Woodward, Sr., operated his chain of stores through the West as pretty much of a one-man show for many years, even though the two boys did pitch in and do the work of grown men when they were still mere youths. But so long as Charles E. lived he was the top man. When he died, however, his sons already knew the business from coffee to carpets.

They were prepared to carry on the progressive policies that had been responsible for the steady expansion of Woodward Stores, Ltd.

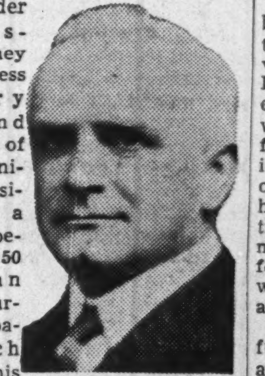
W. C. (William Culham) became president of the firm in 1937. They saw to it, too, that the company developed executives capable of stepping into their shoes. Hence the ease with which Billy Woodward is able to pack up his family and move to Ottawa to accept a dollar-a-year job in the middle of winter.

Intensely active, Mr. Woodward has been president of the Vancouver Board of Trade, which incidentally boosted for his appointment to the War Supply Board in an intensive campaign; director of the Royal Bank since last January; director of Union Steamships, Ltd.; and vice-president of Neon Products, Ltd.

* * *

Versatile President

Presidency of the Dominion Mortgage and Investments Association is a highly responsible position. Member companies have something over $3 billions of funds under administration. They do business in every nook and corner of the Dominion. The president is a vital link between the 50 trust, loan and insurance companies which comprise this co-operative body. Newly elected to this office last week was John A. Rowland, first vice-president and joint general manager of the Canada Permanent Mortgage Corporation.



JOHN A. ROWLAND

To hear Mr. Rowland speak or to follow him in his varied personal and public interests is to almost overlook the fact that he has a background of solid achievement in business and law. Read, for example, a few sentences from an address made in Toronto recently:

> "The picture is not bleak and barren. A few dreams have lost their brilliant colorings, but they are not forgotten. A few high hopes have been deferred, but they have not been destroyed. A few isms have been subjected to the test of experiences and their vicious tendencies laid bare. A few demagogues and political nostrums have had their temporary triumphs and are passing—to the ash heap of history, and each of these has added to the store of human knowledge and experience."

This fine dexterity with phrases and skill in public speaking has at its roots the training he received in classics and in the law. Every year he addresses a gathering of Rotarians at Atlantic City. His prominence in the Masonic Order has brought him in touch with Canadians in every part of the Dominion. He is also treasurer of Victoria University and member of the board of regents.

* * *

Mr. Rowland has travelled extensively. Almost every year he visits Europe. In the spring of this year it was England and Denmark. He is a keen observer of the people and social developments. He has been an unofficial ambassador of goodwill for Canada in the U. S. He has attempted to convey in a quiet fashion Canada's attitude to the present war; explaining Canada's stand, not blaming the U. S. for its abhorrence of involvement in another European conflict.

A few years ago Mr. Rowland admitted to The Post that given sufficient wealth he would have followed a political career. He is a staunch Conservative, with a family tradition for community service. His father for almost a quarter of a century was councillor for Ontario County. Here John Albert was born. He began life on the pioneer farm of his Irish-born father, near Mount Albert.

When he was 10 years of age the Rowland family moved to Mount Albert. After attending high schools at Markham and Kincardine, John entered an honor course in classics at the University of Toronto. Choosing law as his life work John Rowland entered Osgoode. He interrupted his course here to accept a fellowship in Latin and Greek at the University of California. He returned to Osgoode and completed his course in 1900.

He was called to the bar in Ontario, but migrated to British Columbia to practise law with Hon. Joseph Martin. He returned to Toronto where he became a partner in the firm of MacDonald, Garvey & Rowland. He was made a K.C. in 1928. His specialty was estate administration. In this field he is an authority. This brought him in contact with the Canada Permanent, of which he has been a director since 1928. In 1935 he forsook law and assumed his present position with the company.

Mr. Rowland enjoys lawn bowling and curling. He was a member of the Canadian lawn bowling team that toured England in 1927.

Stop Me If . . .

A subscriber who found himself wincing at a recent "Stop Me" (he writes that he would have stopped us if he could) has sent along a little contribution of his own.

Try it on your friends, some time.

She: "So next year is leap year again."

He: "Yes, next year Christmas will be on a Wednesday and New Year's day will be on a Monday."

She: "Aw g'wan, Christmas is always on the same day of the week as New Year's."

He: "Let's look at the calendar." (They look at the calendar and find that Christmas (in 1940) is on a Wednesday, and that New Year's day, (Jan. 1, 1940) is a Monday.)

MacLean's and the War Effort

Maclean's Magazine

The MacLean Publishing Co., through The Financial Post and Maclean's Magazine, has been presenting a number of specific cases in support of its contention that there was a complete lack of business competence shown in the letting of contracts by the Department of Defense under Hon. Ian Mackenzie.

By certain critics, The MacLean Publishing Co. is accused of hampering the war effort of the Department of Defense as it is now constituted. They state, these critics, that "all that is past is water gone under the bridge." They point to Mr. Mackenzie's transference from the Defense Ministry to that of Pensions and National Health, and complain that we are "hounding" an individual. They ask what this company's objects are; what it hopes to achieve.

In the first place let it be most clearly understood that the MacLean publications have not been attacking and are not now attacking the fighting forces of Canada or the officers in charge of them.

The MacLean Publishing Co. is not hampering the country's war effort by exposing what it believes to be definite instances of poor contract-making and political or personal favoritism.

Any hampering was done by the Department of Defense under Mr. Mackenzie. Any hampering was done by Government supporters who turned the Hahn contract enquiry before the Public Accounts Committee into a party bear garden. Any hampering was done by the Prime Minister's reluctance to replace weak men with strong men.

This company is conducting no personal feud against Ian Mackenzie. Its publications are dealing solely with his record as a Minister. We believe that that record demonstrated his inability to do the business job the country's emergency required. And we cannot see why, having been removed from that post, he should be rewarded with another job requiring business ability and involving heavy national expenditures.

As for the "water under the bridge" argument, the effects of poor contracts involving the Government still remain. The public purse is still affected, and will be affected for a considerable time to come.

The general public, whose money is used, is entitled to know what happened before the war so that it can be on its guard against the same thing happening again in any department of any government, Dominion, provincial or municipal.

With a public so informed, the job of the present Minister of National Defense, the job of all government officials will be an easier one. They won't be subject to hounding by political contract hunters.

As Others See Us . . . . .

War Contracts

Brooks Bulletin

When a nation becomes involved in war and the government thereof undertakes to make purchases of armaments and other war necessities there is always a flock of crooks and grafters ready to take advantage of the situation. The history of wars in this respect has followed the same pattern for centuries. There have always been suppliers of materials who furnished shoddy articles, charged exorbitant prices and managed to enrich themselves thereby.

An effort is being made by The Financial Post to keep the present Government of Canada "on the straight and narrow path" in its programme of war purchases. Already there is evidence to show that inroads have been made upon the federal treasury by a few nefarious leeches. This thing should not be permitted. The Canadian people as a body, regardless of individual political affiliations, should demand that war profiteering on Government contracts should not be allowed.

Political Patronage

The Comox Argus, B.C.

The Financial Post of Toronto has been running front-page features for the past month giving chapter and verse of contracts given out by the Department of Defense. They are extremely disquieting. They show wasteful expenditure and political favoritism equal to that exhibited in the Bren gun enquiry. And not one of these disgraceful contracts has been branded as incorrect. It is true that all these contracts were made before the war broke out, before Mr. Mackenzie King said he would do away with political patronage in wartime and we hope he has.

It is most essential for the successful prosecution of the war in Canada that the people should have confidence in the integrity of their leaders; nothing will undermine this confidence so much as the belief that extravagant profits are being made out of the taxation that is going out of their pockets to pay for the war.

Other People's Views . . . . .

Last Year's Alberta Accounts

Edmonton Journal

Again the publication of the province's accounts for the last completed fiscal year has been delayed until the current one is nearly two thirds over. In 1929 they were issued in May and the next year in July. So it is quite possible to make them available much sooner than the end of November.

The shareholders of a private business insist on knowing shortly after the close of its year how this has turned out and their reasons for doing so apply to public business as well.

Decade of Achievement

Halifax Herald

Ten years ago the Mersey Paper Company began operations in its then completely new plant in Queens County, this province.

In the decade since then this company has produced 891,022 tons of newsprint with a total value of $39,012,700.

This is, indeed, a magnificent achievement for an industry based wholly upon the natural resources of this province and conducted as a purely Nova Scotian enterprise.

Tourist Opportunities

Calgary Herald

Next year should be a banner tourist year for the Dominion because of the war and the stoppage of tourist travel to Europe. However, the Canadian authorities should not relax in efforts to attract American visitors, for there is bound to be competition from the West Indies and South America.

And especially it should be made known throughout the United States well in advance of next spring that visitors to Canada will not be subjected to any irksome wartime restrictions.

Week in Business

Better Farm Income Quickens Business

Expansion of Over $100 Millions is Estimated in Agricultural Revenue — War Expenditures Now Assuming Greater Volume

New wealth from Canada's field crops in 1939 is estimated at $635 millions, almost $100 millions higher than a year ago and the greatest since 1930. The value is calculated on the average prices received by farmers up to the end of November. But as grain values since then have been tending upward, it is believed probable that when the final returns are made, they will be considerably larger.

To this revenue from field crops should be added that from other sources of farm income such as livestock. Estimates of the income from these other branches are not available but that they would show a good increase over last year may be safely concluded from the fact that total marketings of cattle and hogs to the end of November were 10% and 4% larger than a year ago, while prices have also been higher. This increase of well over $100 millions in buying power of the Canadian farms is one of the explanations for the improvement that has been experienced in Canadian business.

* * *

War expenditures are a growing factor in business expansion. While the rate at which contracts for war materials are being let, has not been as brisk as expected earlier, the total of $48 millions allotted for war purchases as announced from Ottawa has brought marked improvement in a number of Canadian industries. Changes in the Canadian business situation during the past year were described by A. E. Arscott, general manager of the Canadian Bank of Commerce, at the annual meeting of the bank this week as of an unprecedented nature. He ventured the opinion that "the country has never in any comparable period had such a sharp rise in general business as has occurred since last spring. Industrial activity in November was at a record peak, having advanced by 33% from the low point of the winter in 1938-39."

* * *

Despite war conditions Canada's foreign trade has been well maintained. Both imports and exports in October were higher than a year ago. Other important indicators pointing to more active business are to be found in the gain of 16% in carloadings for the latest week for which figures are available, of 20% in railway revenues, and of 50% in shoe production. In some cases it is stated that manufacturing has been held up by lack of materials and suitable machinery. This is expected to be remedied in the New Year.

Retail merchants report the Christmas trade to be brisk. An executive of one large store said the volume of business his firm was doing was "never better." People have the money and are not afraid to buy. The demand is evident he said in practically every line.

Business Indicators

Current business active, with D. B. S. index of business activity for week ended Dec. 2 almost two points above previous week and fractionally above last year.

Carloadings for week ended Dec. 2, 16% above year ago, total for year to date up 4%.

Railway earnings in first week of December up 31% and 14% respectively for C. N. R. and C. P. R.

Cattle and hog sales in November show increases for 10 months of 4% and 10% over 1938. Cattle sales down 16% in November, hog sales up 19%.

Wheat exports in November 5% lower than year ago, cumulative for 11 months up 31%.

Sugar grindings in four weeks to Nov. 4, down 6% from last year.

Trend of business shown by The Financial Post Business Index and following key factors, new items for the week being marked thus■

TREND OF BUSINESS—	Dec. 2	Nov. 25	Nov. 18	Nov. 11	Dec. 3/38
Weekly index of business, D.B.S.	105.2	103.5	102.7	103.1	106.1
Commodity prices index no.	80.2	79.7	79.6	79.1	73.4
	Oct.	Sept.	Aug.	July	Year Ago
The Financial Post business index	*126.6	122.6	122.0	119.8	115.7
Retail sales index no.	88.6	87.6	81.8	83.7	80.5
Dept. store sales index no.	90.1	86.4	73.1	77.3	77.3
Wholesale sales index no.	117.4	141.9	102.7	92.1	97.8
Country store (% change pr. yr.)	+3.5	+12.1	—2.2	—6.2	—8.1
EMPLOYMENT Index No's., D.B.S.	Nov. 1	Oct. 1	Sept. 1	Aug. 1	Year Ago
All industries	123.6	121.7	119.6	117.5	114.6
Manufacturing	122.1	119.7	115.3	112.8	110.9
Wage earners, no. in 000's	....	....	2,506	2,461	2,402
Living costs weekly budget	....	$17.69	$17.02	$17.02	$17.35
			Jan. 1 to date		%
RAILWAYS—	1939	1938	1939	1938	Change
■Carloadings (week Dec. 2).	55,115	47,862	2,367,454	2,277,776	+3.9
■C.N.R. gross (week Dec. 7)	$ 4,623,160	3,525,132	189,397,029	170,583,803	+11.0
■C.P.R. gross (week Dec. 7)	$ 3,324,000	2,934,000	140,872,000	133,241,000	+5.7
C.N.R. net revenue ..(Oct.)	$ 5,453,848	4,650,861	12,106,202	2,195,607	+451.3
C.P.R. net revenue ..(Oct.)	$ 5,844,165	6,046,430	18,549,575	13,377,224	+38.6
IRON AND STEEL—(Oct.)—					
Pig iron production (tons)	85,758	50,657	573,740	605,502	—5.2
Steel ingots and castings prod. (tons)	149,890	76,256	1,087,583	987,261	+10.1
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* ... (Oct.)	5,850	5,392	74,671	80,826	—7.6
Factory output ... (Oct.)	7,791	5,412	87,433	94,140	—7.1
Trucks and Buses:					
Domestic sales* ... (Oct.)	1,210	1,124	21,057	23,253	—9.4
Factory output ... (Oct.)	1,849	362	32,493	35,340	—8.0
Exports .... (Oct.)	1,213	2,946	48,921	50,049	—2.3
Financing:					
Used .... (Oct.)	$ 2,667,444	2,549,356	29,975,021	31,894,065	—6.0
New .... (Oct.)	$ 1,708,896	2,035,587	23,623,493	29,711,589	—20.5
CONSTRUCTION—					
Contracts awarded (Nov.)	$ 12,739,000	15,019,700	177,749,300	176,592,400	+0.6
■Cement, bbls. ...... (Sept.)	852,197	702,866	4,425,535	4,234,238	+4.5
AGRICULTURE—					
Flour prod., bbls ... (Oct.)	2,089,562	1,906,385	13,326,675	11,088,504	+20.1
■Flour exp., bbls. ... (Nov.)	572,610	477,875	4,439,458	3,546,801	+25.1
■Wheat exp., bush. .. (Nov.)	20,635,199	21,703,514	128,492,138	98,195,775	+30.8
■Cattle sales .... (Nov.)	106,963	128,718	1,009,833	966,628	+4.4
■Hog sales .... (Nov.)	433,398	363,926	3,268,256	2,955,197	+10.5
SEA FISHERIES—‡					
Catch, cwts. .... (Oct.)	813,300	1,040,900	8,277,320	8,162,610	+1.4
Landed value ...... (Oct.)	$ 1,179300	1,417,400	14,958,780	16,048,910	—6.7
NEWSPRINT—					
Production, tons .... (Oct.)	280,985	254,872	2,339,884	2,169,532	+7.8
Exports, tons .... (Oct.)	270,493	248,067	2,149,432	1,967,385	+9.2
MINING AND OILS—					
■Coal prod., tons .... (Oct.)	1,747,863	1,503,608	12,283,593	11,390,891	+7.7
■Coal imports, tons .. (Oct.)	1,949,633	1,457,481	10,799,316	10,938,485	—1.3
Gold prod., fine oz. (Sept.)	421,485	406,326	3,803,202	3,464,398	+9.8
Nickel prod., lb. .. (Sept.)	20,275,866	16,939,700	170,361,711	160,097,162	+6.4
Copper prod., lb. .. (Sept.)	50,698,464	48,784,733	451,410,179	428,875,538	+5.2
Crude oil prod., bbl. (Sept.)	720,866	892,732	5,787,117	5,341,569	+8.3
Crude oil, imp., bbl. (Oct.)	4,746,000	3,640,000	31,400,657	30,199,508	+3.9
ELECTRIC POWER OUTPUT—Oct.)—					
Total monthly, 1,000 kw.h.'s	2589,956	2,333,461	23,213,735	21,283,948	+9.0
FOREIGN TRADE—♦					
■Imports .... (Oct.)	79,053,266	63,908,940	594,384,985	569,861,699	+4.4
■Exports .... (Oct.)	91,418,530	89,253,928	735,458,619	691,990,465	+6.4
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. .... (Oct.)	244,085	144,296	1,823,970	1,352,951	+34.8
■Shoes, prod., pr. ... (Oct.)	2,701,694	1,760,996	20,606,901	18,582,752	+10.9
■Cotton imports, lb. .. (Oct.)	26,349,000	17,639,000	102,100,000	103,699,000	—1.5
Raw rubber imp., lb. (Oct.)	12,710,866	7,081,936	60,559,338	45,643,072	+32.6
Cigarette cons., No.† (Oct.)	706,229	587,592	5,980,875	5,751,514	+3.9
■Sugar manufactured .. lb.§	146,317,261	158,494,897	809,120,369	822,174,714	—1.6
FINANCE—					
Bank debits† .... (Oct.)	$ 2,898,916	2,975,778	25,630,139	25,010,198	+2.5
Bond sales† .... (Oct.)	$ 267,617	118,446	1,299,768	951,089	+36.8
Life insurance sales (Oct.)	$ 34,877,000	32,372,000	325,139,000	313,213,000	+3.8

*D.B.S. All Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For four weeks to Nov. 4, 1939. ♦Gold excluded.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. *Final.
New items for week marked ■

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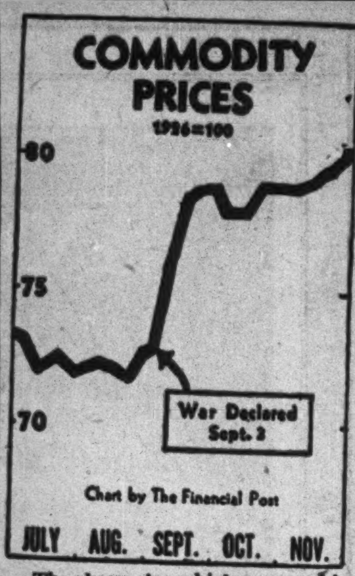
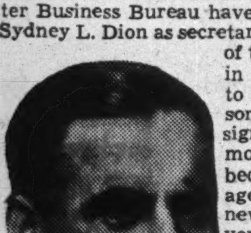


The sharp rise which occurred in Canadian commodity prices immediately following the outbreak of war is indicated above. Between Sept. 1 and Oct. 6 the index number of the Dominion Bureau of Statistics jumped nearly five points. Following a slight reaction the move has again been upward but on a more moderate scale.

Business Bureau Picks Manager

Directors of the Ottawa-Hull Better Business Bureau have appointed Sydney L. Dion as secretary-manager of the Bureau, in succession to R. H. Neilson, who resigned several months ago to become manager of the new Vancouver Better Business Bureau. Mr. Dion had been associated with Mr. Neilson in direction of the Ottawa Bureau.



S. L. DION

Mr. Dion has a background of wide and varied experience in the service of industrial and business firms, both in Canada and the United States. He brings to his work with the Bureau a close knowledge of sales and merchandising methods, important in better business bureau operations. His association with the Bureau sprang out of the interest with which he had followed the work of such bureaus for some years.

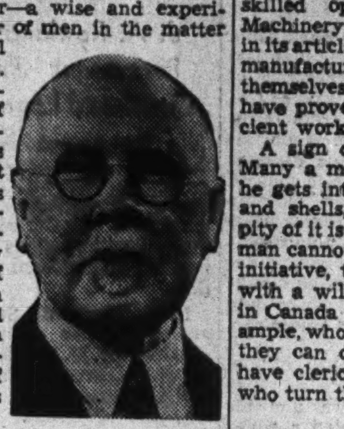
A native of North Sydney, N.S., Mr. Dion completed his education at Ottawa University before joining the staff of the Library Bureau of Canada Ltd. in Ottawa. Later he served the same firm at its head office in Boston and in charge of Toronto district sales.

For a time he was in the automotive field, on the staff of the Studebaker Corp. in Ottawa and the Packard Motor Car. Co. of New York, in New York and Newark. Returning to Ottawa, he maintained the Ottawa district agency for Gurney Foundry Co., later establishing his own business as manufacturers' agent for Sarnia Bridge Co., Sarnia; Mesker Iron Co., St. Louis; Zenitherm Co., New York; Newport Co., Chicago; and Canada Wire & Iron Goods Co., Hamilton, Ont.

Keeping Posted

By J. C. KIRKWOOD

J. Herbert Hodgins has a highly specialized and unusual job: he's a man's mentor—a wise and experienced adviser of men in the matter of their social relationships. In the December issue of Mayfair Magazine he tells men what Christmas gifts are likely to be welcomed by men. Now, if that's not a much needed service, then my understanding of my kind is deficient.



JOHN C. KIRKWOOD

Most men's minds go blank when they ask themselves the question, "What shall I give to Brown?" There are cigars, pipes, lighters, and some other rather obvious answers to this question; but if one wants to give something uncommon, then the 67 gift suggestions made by Mr. Hodgins should be consulted. Thus, if your friend is a yachtsman, what would be appropriate, and if he is a soldier, what would he like.

And if your problem is what to give to Mary, or Jane, or Yvonne, and if you want to know what she will go into raptures over, then by all means get the December Mayfair: it's heavy with gift suggestions of the feminine gender.

(A mentor! A mentor! All of us need him on the eve of Christmas. What's the feminine of "mentor?" Is it "tormentor?"

* * *

Live Wire Druggist

Port Alberni, B.C., has a population under 2,500. Also, it has McVicar's Pharmacy, and McVicar's Pharmacy has M. E. McVicar as its wide-awake owner. Port Alberni has a municipal library, which is operated on a cost-sharing basis in association with Mr. McVicar's drugstore. The library is arranged around the glass side of the prescription department. Mr. McVicar estimates that this library brings 2,000 persons into his store every month, and this spells sales for his pharmacy.

Over this prescription department—so I read in Drug Merchandising—are three words—"Knowledge, Experience, Precision"—a good verbal trinity.

Last Christmas the McVicar Pharmacy staged over the store's street canopy a visualization of the visit of the Wise Men to Bethlehem—to the manger there. This representation of the Biblical story was accomplished by cutouts, and the whole was floodlighted.

I am wondering what Mr. McVicar is going to do for this Christmas.

* * *

Adaptability Needed

In a British factory where 3.7 inch anti-aircraft shells are being made, there were two years ago fewer than ten of the factory employees who had had any previous experience of cartridge-case manufacture. The bulk of the labor today in this factory has been recruited from the unemployed coal-mine workers of the district, while the tool-room employees had, in a number of instances, been employed as millwrights at the local collieries. Both skilled and unskilled operators, says Canadian Machinery and Manufacturing News in its article dealing with ammunition manufacture, have readily adapted themselves to new conditions and have proved to be willing and efficient workers.

A sign of ability is adaptability. Many a man in Canada will, when he gets into a factory making guns and shells, become efficient. The pity of it is that so many unemployed man cannot and do not, of their own initiative, take up unfamiliar work, with a will to master it. We have in Canada many carpenters, for example, who persuade themselves that they can do nothing else; and we have clerical workers, unemployed, who turn their back on overall jobs.

* * *

Model Kitchen

Model kitchens! I suppose that more hard thinking is being done by architects, builders, plumbers and housewives in relation to kitchen planning than is applied to any other room in the house. In an illustration in Sanitary Engineer of a new showroom opened in Sudbury by Empire Brass Manufacturing Company, London, Ont., is shown a model kitchen; also, a model bathroom. But the kitchen tops the bathroom in the attention both receive.

These northern mining centres are having a very remarkable prosperity. Men receive good wages, and they spend them with no niggardliness. The opening in Sudbury of a showroom by Empire Brass is an illustration of modern merchandising practice. The opening of this showroom was made the occasion of a party at which the main guests were the big men connected with the building and plumbing industries. Together they represented 20 different branches of the trade. At this meeting C. H. Ivey, vice-president, Empire Brass, said that it was the company's aim to have a showroom that would be on a par with the automobile and radio showrooms. This Sudbury showroom is the 7th of such rooms operated by the company for the benefit of the plumbing and heating trade in Canada.

* * *

Never Regret Quality

"Nobody ever regrets giving quality," was the motto I saw in a Toronto department store window in which were assembled a variety of things suitable as gifts; and I felt that I'd like to give this saying a wider distribution.

I recall that years ago there was a Toronto clothing manufacturer who declared that he was making as good clothing as another and better known company, and that he wanted to produce a catalogue with illustrations as good as those his competitor was using. But he balked violently when he was told that the other fellow paid $100 for the sketch from which an engraving was made. He vowed that he'd never pay any $100 to any artist. So he got out a catalogue whose illustrations were engravings made from cheap sketches. Yet steadily his catalogue began to get better and better—for he began to buy better sketches and to have them engraved better. In the end his catalogue rivalled in attractiveness that of his rival.

That's the way with us all; we grow into something better than was satisfactory at the beginning. The amateur photographer starting with a $5 camera ends up, possibly, with a camera costing several hundred dollars.

B. C. Lumber Exporters Seek to Break Tie-up

From Our Own Correspondent

VANCOUVER. — British Columbia's two major lumber export organizations, represented by Seaboard and H. R. MacMillan interests, buried their long-standing rivalry last week. They joined in a bold and unprecedented move to break the log-jam of overseas shipments for the United Kingdom, which has presented the province's No. 1 industry with its biggest crisis in years.

Mr. MacMillan, accompanied by Bruce Farris, vice-president of Seaboard, have been in the east negotiating with the Dominion Government and the railroads. They were endeavoring to arrange for the movement by rail of a huge volume of accumulated British lumber orders from the Pacific coast to the Atlantic seaboard, for transshipment under convoy to the United Kingdom.

The British Timber Control has already made overtures to the railways, offering to pay a rate somewhat less than that prevailing now—82 cents per hundred pounds. The lumbermen are trying to get the roads to make some concession or the Government to provide a bonus offsetting the difference.

If they are unable to reach a satisfactory settlement, the great sawmill industry of British Columbia, biggest payroll-maker west of the Rockies, is faced with drastic curtailment of production at a time when it is geared to maximum capacity.

Britain Wants Lumber

There is no doubt that the British Government wants the lumber. It has already placed orders since the war for nearly 400 million board feet for evacuation shelters, barracks and airport construction and various other emergency projects. The Government told the lumber industry to supply the lumber and it would supply the ships, but the ships have not been forthcoming.

So far, the British Ministry of Shipping, according to the agreement, should have provided tonnage to move 290 million feet. Instead, ships have been provided for only 62 million feet, less than one quarter of the number needed. Meantime the lumber is clogging the mill yards and loading docks. In a few weeks the industry estimates that it will have cargoes accumulated here for 75 ships.

Situation Serious

What makes the situation doubly serious is that the west coast industry has been concentrating on U. K. orders to the exclusion of everything else and is unable to turn elsewhere for an outlet.

If the deal for rail space materializes, it will provide the railroads with an enormous volume of traffic. In the past lumber has been shipped by rail to the east coast in negligible quantity, usually in high-grade airplane spruce. It is estimated that three trains of 40 cars each are the equivalent of one deepsea cargo ship, so that to move even a part of the lumber now accumulated would require more than 100 solid lumber trains.

Reflecting the ship tonnage shortage, British Columbia's waterborne lumber exports to the United Kingdom in November sank to the lowest point since February, according to figures issued by the Pacific Lumber Inspection Bureau.

Steel of Canada Extends Hamilton Unit

From Our Own Correspondent

MONTREAL.—Steel Co. of Canada has undertaken extensions to its plant aggregating a cost of $1.5 million since war was declared, according to a statement issued by H. G. Hilton, vice-president.

Included in these extensions is an additional 150 ton open hearth furnace which will add approximately 100,000 tons to the steel producing capacity of Hamilton works, to be in operation by the beginning of next year.

There's Only One Master-Key to the Major Market!

69%

It's the Weekly Newspapers in the towns and villages of Canada — the *only* publications whose complete contents are absorbed with instinctive, intimate, friendly confidence and understanding by the people who make 69% of the nation's retail purchases.

It is that which the Weekly Newspapers and their millions of earnest readers have in common—their purely local interests, their essentially personal relationships and in many respects their actual interdependence in the "home town" scheme of things—that makes the Weeklies such an influence for sales right on "Main Street" where the 69% of the country's retail sales are made.

The Weekly Newspapers bring the advertiser, the dealer and the consumer more closely, more effectively together in the smaller communities, and do it more economically, than any other sales-building medium.

When planning your 1940 advertising budget, be sure to have *all* the facts about the dominant position of the Weekly Newspapers in Canada's 69% major market. Write, now, for precise information.

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Managing Director
BRAMPTON, Ont.

CANADIAN WEEKLY NEWSPAPERS ASSOCIATION

Housing Loans Show Decline

Drop in November Contrasts With Many Previous Months of Increases

Operations under the National Housing Act in November showed a slowing of pace in comparison with the past year or so. From the passage of the revised Housing Act in the summer of 1938, up to the outbreak of war, monthly totals of loans under the Act have shown large increases, ranging from 30 or 40% up to nearly 200%.

In November, the amount of loans declined to $1,615,337 from $1,739,865 in Nov., 1938, a drop of 6%. The number of loans (361) showed a moderate increase of 14%, because of the greater proportion of loans for single family dwellings, but the number of units financed reflected a relatively negligible rise of only 5%.

This continues the trend indicated by October returns, which showed a loan total only 3.4% above the level of a year before, though there was a rise in the number of loans and number of units financed.

More Low Cost Houses

The present loss of acceleration and curtailment of volume in Housing Act loans operations is partly attributable to effect of war on construction generally, as reflected in the marked declines during the past two months in urban building permits and construction contracts awarded. But it is also traceable to the distinct falling off during the past six months in the proportion of apartment houses, duplexes and other multiple-family dwelling units financed by N.H.A. loans, and to the rising volume of low cost single-family houses built with loans.

Thus in November the average loan per housing unit (rating apartment and duplex suites as units) was $3,031, and 90% of units financed were covered by loans of $4,000 or less. Approximately 60% were on a basis of $3,000 per unit, and 40% required loans of $2,500 or less. Total of 87 loans were on the 90% mortgage basis for owner-occupied houses costing $2,500 or less.

In October, there were only three loans approved for duplexes and three for apartment houses.

Total Near $50 Millions

Cumulative total of all loans made under the Act and its predecessor statute (Dominion Housing Act 1935) now stands at $46.7 millions, covering a total of over 13,000 housing units. Of this total $20.3 millions was loaned in the 12 months ended Nov. 30, 1939, compared with $13.9 millions in the preceding 12 months.

TRENDS IN THE FIELD OF INVESTMENT

Facilities for studying the frequent changes in the field of investment and the status of securities are available to this organization through its branches: These facilities are at the disposal of our clients at any of our offices:

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WITH ADEQUATE TOOLS

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Life is More Secure with the Protection of Life Insurance

To increasing thousands of Canadian women, Life Insurance stands as a first-line of defence against the uncertainties of the future.

In more than a million Canadian homes, women are protected by Life Insurance. They enjoy the financial security which enables them to face the future with greater peace-of-mind.

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And countless business and professional women depend on Life Insurance to free them from future money worries and to help make them financially independent in later years.

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C-139X

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WAWANESA
Mutual Insurance Co.
— ORGANIZED IN 1896 —

Assets $2,234,188.78
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INSIST ON SECURITY—Then place your insurance on the basis of Broad Coverage and Favorable Rate — and save money on your Fire Premiums.

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2,000 Agents Across Canada

United States
Fidelity & Guaranty
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TORONTO

Toronto Insurance Men Honorably Discharged

W. Bentley Coatts, president of Provincial Service Agency Ltd., and Grover Leyland, insurance agents of Toronto, who were arrested some three weeks ago charged with conspiracy, were honorably discharged when their case came up for trial last week.

They were arrested along with four others, two of whom were insurance adjusters and two lawyers charged with a similar offense. The case against the other parties accused is proceeding.

Automobile and General Casualty Insurance
SERVICE SAVING SECURITY
Fire and Allied Lines Written in Associated Companies
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LUMBERMENS MUTUAL Casualty Company
VANCE C. SMITH, Chief Agent
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Just as it is desirable to locate your property in a well-maintained neighborhood, so is it desirable to insure your property in a company which carefully selects its risks—and returns the savings made directly to the policyholders. When insuring with Northwestern Mutual your property is associated with "good neighbors.'

Write or phone for the name of the Northwestern Agent in your territory.

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Toronto - Hamilton - Ottawa - Halifax - St. John - Quebec City - Montreal
Moncton - Winnipeg - Saskatoon - Edmonton - Calgary - Kelowna -
Victoria - Nanaimo - Vancouver

Insurance

Indirect Fire Loss May be Substantial

Use and Occupancy Forms Added to Ordinary Fire Policy Will Protect Normal Operating Profits and Pay Fixed Overhead Charges

When John Doe's factory was gutted by fire recently, one of the first questions asked by his sympathetic friends was whether it was insured or not. When they were told that both factory and contents were insured, they said "that's good," took it for granted that his interests were well protected and forgot about it. What they did not realize, but what Mr. Doe found as the weeks passed, was that the actual destruction by fire was just part of his loss. The after the fire results were just about as serious and because he was not insured against them there was no indemnity.

The fire insurance policy gave compensation for damage done to the factory building and machinery and also for the raw materials, goods in process of manufacture and finished stock in store.

No Profits Coming In

But Mr. Doe's business entailed a great deal more than the ownership of a factory building and a stock of materials. The real object of the enterprise was the production of goods for sale. When he sold his products, the money he received paid his operating costs, interest on his investment and gave him a profit.

The fire stopped production. While his insurance policies reimbursed him for damage to his plant and materials, the revenue that he would have received from the goods he would have manufactured and sold had the fire not occurred was lost. On top of this many of his expenses continued. Taxes had to be paid. He had to retain some of his key men on the payroll, in order that their services would be available when he resumed production. He had to maintain contact with his customers so that they would be ready to deal with him when he was again able to fill their orders. The capital being used to restore his plant was bringing in no interest.

In short he was out a substantal amount for fixed charges plus the normal profit he would have received had his plant been in production.

Use and Occupancy Forms

It is to give protection against such losses from non-operation of industrial plants or mercantile establishments that the Use and Occupancy form has been designed to be attached to fire policies.

These forms, under normal conditions, are available for all classes of business that are operated for profit, whether it be a manufacturing plant, store, moving picture house or whatnot.

They may be attached to the ordinary fire policy, and, of course, are governed by the conditions of the main policy, so far as they are applicable. In effect, they provide that the insurer will be liable for the actual loss sustained by non-use or non-occupancy of the property. But this liability is strictly limited to such length of time as would give the owner of the property a reasonable opportunity for rebuilding, repairing or replacing the property destroyed, or damaged. This period begins with the date of the fire, and is not limited by the expiration of the policy, provided, of course, that the fire occurs before that date.

The words "actual loss sustained" are given prominent place on the policy, consequently there is a considerable responsibility on the policyholder to show what is the actual loss sustained.

Different companies use different language in setting forward the provisions of their policies. Some of these give lighter coverage than others, but on the whole they have certain principal points in common. They provide for indemnities for:

(1) the net profit lost through non-operation of the establishment;

(2) such charges and expenses as may be incurred during the time that business is suspended. Indemnity on this point, however, is restricted only to such charges and expenses as would have been earned had there been no fire;

(3) such extraordinary expenses as may be incurred for the purpose of reducing the loss.

Net profit, of course, is the amount left for the owner of the plant after payment of all charges for labor, heat, light and power, interest or rent and taxes, salaries and other fixed charges.

An important reservation in connection with the amount of fixed charges that can be collected is that the policy states that the insurer is liable only for such charges and continuing expenses as would have been earned had no fire occurred. The effect of this is that if in times of depression the plant is operating at a loss instead of a profit, the policyholder cannot expect to collect the whole amount of the fixed expenses. Otherwise it would pay him to have a fire.

No Profit Indemnity

If the company was running at a loss, the owner could not expect to collect anything for profits, as there would be no profit loss through the suspension of operations.

As regards extraordinary expenses, these would include expenses incurred by the insured in the effort to minimize his Use and Occupancy loss. The insurance company in most cases will pay for such expense incurred. By doing so, it is not paying the policyholder extra compensation because if by spending a little money it can get the plant back into operation sooner than might otherwise be the case, it is only reducing the amount it would have to pay as indemnity to the insurer.

As regards the indemnity paid under Use and Occupancy form, there are, of course, a number of different ways in which this coverage may be sold. Some policies tabulate the indemnity on a daily form, others on a weekly form, some on a weekly form for risks having seasonal fluctuations in earnings and some on a daily form.

Special Provisions

Obviously a plant which is only operating five days in the week, if insured under a daily form could not expect to collect indemnity for 7 days non-operation in the week. Under the same circumstances, a hotel, for instance, doing business every day, Sundays and holidays included, would be on a different basis from a retail store. Then, again, a company handling products which might be regarded as strictly warm weather lines, could not expect to collect the same indemnity for lost profits if fire occurred in the winter, when its normal business would be reduced. Accordingly certain Use and Occupancy forms are designed for businesses which have seasonal operations or fluctuating earnings.

The main advantage of this form, however, is that when the manufacturing or mercantile plant is destroyed or damaged by fire, to such an extent that operations have to be suspended, the operator can insure that he will not be out of pocket for fixed charges for retaining men on his payroll or paying taxes, nor will he lose a profit which he normally might have expected from operations.

Insurance Notes

Lewis A. Winter, who for 20 years was treasurer of the Manufacturers Life Insurance Co., has been appointed Comptroller of the Canadian Red Cross for the period of the war.

* * *

Deaths in Canada from pneumonia in October were 22% lower than last year, according to the experience of the Metropolitan Life Insurance Co., although the death rate from influenza was higher. The rate of mortality due to cancer, diabetes, diseases of the heart and arteries also showed increases over last year. On the whole, the company reports, mortality among its Canadian policyholders, showed the third successive decline from 1938, bringing the cumulative mortality for the year to date down to the same level as a year ago.

* * *

Ernest Moulds, manager of the Ottawa branch of the Excelsior Life Insurance Co. at Ottawa and his organization were awarded a silver cup by the company for high production during the company's fall campaign.

* * *

November sales of the Monarch Life Assurance Co. in November are reported by G. C. Cumming, general manager, as 50% ahead of the same month last year. The company's total paid-for business, written in the 11 months of 1939, was also above that of a year ago. Cash collections in the South Saskatchewan division were stated to be good. Leading producers for the company were J. M. Lawrie of the Manitoba Agency in Winnipeg and W. M. Elliott and A. W. T. Inglis of the Hamilton branch.

* * *

The Great West Life Assurance Co. has announced that the current scale of dividends to policyholders will remain unchanged after the New Year. Neither will there be any changes in the rate of interest payable on dividend funds and proceeds of policies left on deposit with the company.

* * *

A certain citizen of Toronto recently received through the mail two tickets to a theatre. There was nothing with the tickets except a card to say "Hoping you have a pleasant evening" and signed "a Friend." Thinking that someone was wishing to do them a good turn, without making his identity known, the man and his wife attended the show. On their return they found that their house had been ransacked from top to bottom. The loss was substantial. They had no burglary insurance.

Insurance Exchange To Pay Bond Interest

From Our Own Correspondent

MONTREAL.—The half-yearly interest payment due Jan. 1 on the new mortgage bonds of Insurance Exchange Corp. will be made to bondholders of record Dec. 21.

The new bonds were issued under the plan of reorganization approved early this year. Under the plan, holders of the company's old first mortgage bonds were offered the option of taking cash to an amount equal to 35% of their holdings or taking $60 principal amount of new bonds for each $100 of old bonds. The amount that could be exchanged for cash was limited to $500,000.

Prior to expiration of the cash offer, old bonds to an amount of $1,101,800 were presented for conversion into cash. Holders of these bonds were allotted some cash and some bonds. They received $15.75 in cash and $33 principal amount of new bonds for every $100 old bond held.

Renovation of the building is nearing completion. Under the plan of reorganization a total of $175,000 was provided for alterations and improvements.

Fire Marshals Discuss Sabotage Prevention

Discussions at a meeting of the Fire Marshals' section of the National Fire Protection Association of the United States, at Chicago, last week, centred largely around the methods that might be taken to prevent sabotage fires, if the United States became involved in the war.

W. J. Scott, fire marshal for Ontario, discussing some of the measures that had been recommended in Ontario, urged the greatest possible degree of vigilance, confinement of known sympathizers with the enemy and increased fire protection facilities for all industries engaged in making war materials.

Montreal Dry Dock Suffers From Fire

From Our Own Correspondent

MONTREAL.—Part of the plant of the Montreal Dry Dock Co., subsidiary of Canadian Vickers, has been destroyed by fire, damage being estimated at $50,000.

The two main buildings housing the plate shop and carpenter shop were gutted, but the flames were prevented from spreading to the office building or the dock itself.

Dom. Mortgage New Executive

J. A. Rowland of Canada Permanent President of Trust and Loan Ass'n.

At the annual meeting of the Dominion Mortgage and Investments Association, Toronto, J. A. Rowland, first vice-president and joint general manager of Canada Permanent Mortgage Corp., was elected to the position of president of the Association.

H. P. Thornhill, Sun Life Assurance Co., was elected first vice-president; J. M. Macdonnell, National Trust Co., second vice-president; C. S. Hamilton, Trusts and Guarantee Co., past president.

Executive from insurance companies is composed of the following:

E. C. Gill, Canada Life Assur.
D. E. Kilgour, North American Life
C. R. B. Lloyd, Confederation Life.
A. McPherson, London Life Insur.
H. T. Roesler, Imperial Life Assur.
W. H. Somerville, Mutual Life Assur.
H. R. Stephenson, Crown Life Ins.

Executives

Executive of loan companies is comprised of the following:

R. P. Baker, Huron & Erie Mtge. Corp.
T. H. Main, Ontario Loan & Debenture.
M. Pasquin, Credit Foncier Franco-Can.
H. H. Patterson, Landed Banking & Loan.
J. M. Purcell, Guelph & Ontario Investment & Savings Society.
R. Charles Young, Trusts & Loan Co.

Executive of trust companies is comprised of the following:

Charles Bauckham, Sterling Trusts Corp.
R. P. Jellett, Royal Trust Co.
E. L. Parent, Capital Trust Corp.
W. G. Watson, Toronto General Trusts.
C. E. Weeks, Victoria Trust & Savings.
P. V. Wilson, Waterloo Trust & Savings.

Jules E. Fortin is secretary-treasurer of the association.

Reports of the executive committee, the municipal and corporate finance committee, and the membership committee were presented to members at the annual meeting.

Restrictive Legislation

The executive committee on its report on the mortgage situation stated:

"Notwithstanding that the 1939 crop was a satisfactory one and that there has taken place a betterment in general economic conditions, legislative interference between borrower and lender, of which the year under review was not free, has not minimized the task of member companies in dealing with their deserving borrowers on the one hand and on the other hand with those of their borrowers who are prone to avoid payment of their debts irrespective of their ability to pay."

The executive report draws attention to the importance of the Rowell Report in regard to the provinces:

"In any consideration of the finances of the provinces of Canada the anticipated report of the Royal Commission on Dominion-Provincial Relations will play an important part, inasmuch as the terms of reference include the whole question of sources, of revenue and the extent of services allotted to the Federal and Provincial Governments. With the publication of the Commission's report, it is expected that a clearer insight into the problems of provincial finances in the future will be obtained."

Effects of War

War will have far-reaching effects upon the financial, industrial and agricultural life of the Dominion, the report of the executive committee states. New difficulties are anticipated for member companies.

The municipal and corporate finance committee reports that there were no major defaults during the year, and considerable progress was made in clearing up existing defaults.

Membership in the association was maintained at 50 companies, including 12 loans companies, 14 trust companies and 24 insurance.

Rural Health Units Lacking

"Outstanding Weakness" in Public Health Service is Emphasized By Report

"The outstanding weakness in our public health service is that with the exception of those in Quebec and Prince Edward Island, the rural areas of Canada are insufficiently served by full-time health units," declares an exhaustive report just published by the National Committee for Mental Hygiene (Canada) entitled "Study of the Distribution of Medical Care and Public Health Services in Canada."

Canada pays about $193 millions a year or $19 per person for medical services. This is more than the amount spent on education and just under the average expenditure on clothing, the study reports.

Some $90 millions goes to doctors, dentists and nurses.

$50 millions is for hospital costs, less the salaries of professional personnel. Another $50 millions is spent for drugs in retail stores, of which $12 millions is for physician's prescriptions and $33 millions for patent medicines, the remainder for drug sundries. The report continues:

"The surprisingly small amount of $12 millions is expended on public health, including sanitation.

"Over 55,000 individuals, including 10,000 physicians and surgeons, 4,000 dentists and 20,000 graduate nurses earn their living in providing public health and medical care for the Canadian people . . . (They) are unevenly distributed throughout the country. Location for practice is, of necessity, more largely determined by ability to earn a living in a given area than by the health needs of that area.

"The total number of medical personnel would be insufficient to provide adequate services for all of Canada if the services were available to and used by all the population."

Sources of Revenue

Of the $193 millions per year spent on health in Canada, 72% is paid by private individuals as fees to doctors, nurses, dentists, etc., to hospitals, and for drugs; 21% comes from governments as grants to hospitals and public health services and 7% is from industry and philanthropy.

Reviewing various types of health services, including Associated Medical Services Inc. and others, the authors state:

"Twenty-five per cent of Canadians live in families where the family income is less than $950 a year. With such a family income, it is evident that the family, in general, is unable to pay medical fees without depriving the members of other necessaries of life. Some 65% of the population have family incomes of $950 to $2,950.

"The most novel development in Canada for the provision of medical care is the Municipal Physician system as developed in western Canada, particularly in the Province of Saskatchewan. Under this plan a physician is engaged on salary to provide general practitioner care for the approximately 2,000 people who live in the rural municipality or towns and villages. The cost is met through a tax on land. The average cost per person in rural areas is $2.12.

"In 1938, the plan operated in 72 rural municipalities and in 43 towns and villages, reaching 17.5% of the population of the province. From a public health standpoint, a municipal physician makes an ideal health officer, because he finds it to his advantage to use to the fullest extent those methods now available for the prevention of disease."

Crown Life Progress reflects Public Approval
CROWN LIFE
INSURANCE COMPANY
Established 1900
Home Office Toronto

Twelve (12%) Per Cent—Guaranteed

How much money per month have you provided for your wife, in case of your death?

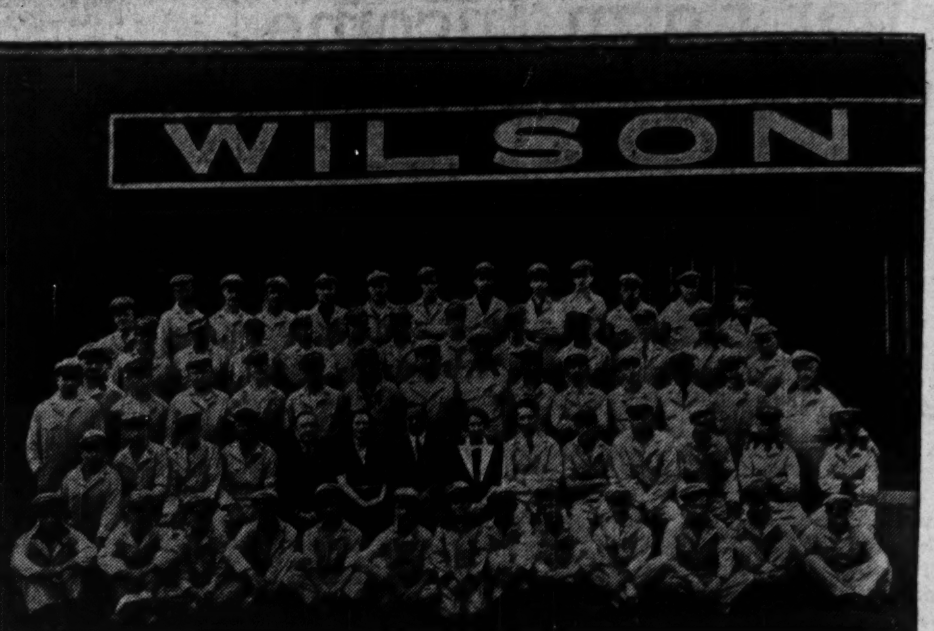
$5,000 would give her $16.67 monthly, if safely invested at 4%; or

A $5,000 insurance policy with settlement option payments would increase the monthly amount to $20 or $30, depending upon her age.

But an Equitable $5,000 policy with Family Benefit will provide $50 A MONTH—$600 a year—during your family's period of need. With perfect safety, this solves your problem of doubling the family income without doubling your cost or investment.

Incomes lower or higher than $50 monthly may be arranged. Write Head Office or any Agency Office for our booklet—"Twelve (12%) Per Cent."

PROTECTION
THE EQUITABLE LIFE
INSURANCE COMPANY OF CANADA
HEAD OFFICE—WATERLOO, ONTARIO



Group Accident Insurance Works at Wilson's

. . . It will work with you

IN JULY, 1934, a Confederation Life Group Non-occupational Sickness and Accident policy was written for the protection of employees of Wilson Motor Bodies Limited of Toronto. The benefits were payable in proportion to weekly wages above and below a certain fixed amount.

The Company's and the employees' experience has been so satisfactory, that with an increasing payroll, the number of employees insured has doubled in the past five years.

• • • • • •

Confederation Life Group Sickness and Accident Insurance Policies may be had by firms having 25 employees or more. Occasionally the impression prevails that Group Insurance is available only for firms having a large personnel. This is not so. On the contrary, we find that employees of smaller concerns appreciate the benefits of Group Insurance as much as those of larger firms.

Confederation Life
Association
Head Office Toronto

FREEDOM

"Having transferred my activities from the London Life to the country's service for the duration of the war, I see a remarkable parallel between the Navy and Life Insurance:

"Both furnish a sense of present and future security, which is priceless.

"Both provide protection to homes.

"Both ensure food and other necessities of life.

"Both work silently and effectively, day and night, regardless of prevailing conditions.

"Both have a record of never failing in time of need."

The Navy and Life Insurance, in their respective spheres, are guardians of freedom. They work for the preservation of that true democracy wherein every man may chart a life course for himself and his dependents, and live according to that plan.

London Life
ESTABLISHED 1874
Insurance Company
Head Office - London, Canada

Canada's Increased Economic Weight Helps Tip Scales in Allies' Favour

The Canadian Bank of Commerce Reports Marked Business Upturn Began Last Spring

WAR ACCELERATED TREND

Great Number of Small Loans and Highest Deposits in Bank's History Are Reported.

The Annual Meeting of Shareholders of The Canadian Bank of Commerce was held in the Head Office of the Bank in the city of Toronto, December 12th. Mr. A. E. Arscott, General Manager, presented one of the strongest financial statements in the Bank's history. After reviewing the changes in the Bank's position for the year ending 31st October which accounted for an increase of over $80,000,000 in assets to a total of $745,650,000, Mr. Arscott addressed the meeting as follows:

GENERAL MANAGER'S ADDRESS.

155,352 Ordinary Loans.

The number of borrowers during the year, not including loans made by the Personal Loan Department, totals 155,352 and our analysis shows that of these 142,405, or 91.66 per cent. of the total, borrowed individually $2,000 or less. In dealing with this feature I should like to mention that each of our managers has a fixed limit up to which he may make loans without reference either to the Superintendent of the district in which he is located or to Head Office, as the case may be. The great majority of our branch managers may lend up to $2,000 without reference to any senior officer, and many managers in the large communities, who have had longer experience, are accorded higher limits. It will be noted, therefore, that a great percentage of our loans is made by the managers on their own responsibility. This is a complete answer to the allegation which has frequently been made that loans generally are so closely under the supervision of head office authorities that managers are prevented from lending where their knowledge of local conditions convinces them a loan could safely be made.

Personal Loan Department

Our Personal Loan Department inaugurated a little over three years ago for the purpose of lending under the Budget Saving Plan, has in that period made 185,000 individual loans aggregating over $27,000,000. Our analysis of these loans as at the end of October shows them to have been used for the following purposes:—

Purpose of Loan	% of Total Amount
Medical, Dental and Hospital Bills	12.36
Consolidation of Debts	30.11
Taxes, Insurance Premiums and Mortgage (Principal and Interest) Payments	8.73
Education	5.77
Household Expenses, Furnishings, etc.	10.14
Miscellaneous, including Clothing, Coal, Store Bills, etc.	32.89
	100.00

Our classification also shows that the occupation of the borrowers has been as follows:—

	% of Total Number
Wage Earners and Artisans	37.83
Office, Clerical and other non-manual Workers	28.50
Managers, Superintendents, Foremen	10.69
School Teachers, Professional People, Salesmen and Sundry	22.98
	100.00

The results achieved in the Personal Loan field are gratifying not only because the Bank's business has been increased but, also, because the arrangement has proved to be a great help to those requiring small advances which can be repaid from savings over a period of a year. Many borrowers by being able to consolidate immediately pressing obligations have been relieved of financial worries, while others by borrowing funds necessary for medical treatment have improved their health and efficiency. We have had many letters of appreciation from those who have borrowed under our Personal Loan plan and the figures given you today clearly indicate how well this service has been received.

I should like to draw attention again, as I did last year, to the fact that the loaning of small amounts is by no means confined to the Personal Loan Department, which is a specialized service. As I have already told you, there were as well 142,405 borrowers who obtained regular banking loans from the branches in amounts of $2,000 or less, the total so advanced being $42,864,000.

Deposits Highest in Bank's History

Our Total Deposits at $662,708,000 are the highest in the history of the Bank and show an increase over last year of $84,695,000. Deposits not bearing interest show an increase of $28,561,000; deposits bearing interest an increase of $7,786,000. We have over a million depositors and you will be interested to know that over 90 per cent. are represented by accounts of $1,000 or less.

The Statement which I have just reviewed in comparison with that of last year represents not merely one year's progress of this institution, but its development over a period of seventy-two years. During that long term the Bank has been safely guided through several economic and political crises, including the Great War of 1914-18 and the subsequent years of severe deflation and readjustment which the world had then to undergo. It is, therefore, a matter of great satisfaction that there is in the Bank today the accumulated strength of many previous years of sound direction, coupled with experience in such abnormal world events as have prevailed. This combination of stability and experience is typical of the Canadian banking system as a whole.

Sharp Rise in General Business

In my report last year I mentioned that with the co-operation of a great many industrialists across Canada we had constructed an industrial production index in an effort to provide an accurate measure of current business conditions. I am glad to say that this index, which is published in the Bank's Monthly Commercial Letter, has accomplished what we had hoped and that it has gained wide recognition by independent organizations in their study of Canadian economy. It is of particular interest just now when the country's large and diversified economic system is being transferred to a war basis.

The changes which have taken place in Canadian business this year seem to be of an unprecedented nature. The country, I think, has never in any comparable period had such a sharp rise in general business as has occurred since last spring. Industrial activity in November was at a record peak, having advanced by 33 per cent. from the low point of the winter of 1938-39. In the months prior to September business was strongly progressive, but was accelerated following the outbreak of the war by the stimulus derived from a rush by manufacturers, traders and the general public to accumulate stocks of commodities, in many cases beyond current requirements. Now that the first effects of war influences have passed I expect to see an upward trend in Canadian business, and that it will continue in that general direction for the duration of the war. I should like, however, to sound a note of warning to those engaged in industry that while the demands for foodstuffs, munitions and other war materials will increase as long as the war lasts, if production is not well planned we are likely to encounter in the post-war period greater difficulties than we have ever experienced. On the other hand, if sound judgment is exercised and speculative commitments avoided the painful losses of the readjustment period which is bound to follow the war will be greatly lessened.

President S. H. Logan Calls Attention to Canada's Development in Productive Capacity Since the Last War

Meeting though we are under the shadow of another great war, I do not propose to review the political events leading up to its outbreak. Germany's contemptuous disregard of solemn pledges, of international law, of the rights of other nations and of world opinion has caused a general feeling of revulsion against her. Few outside her own borders will question where the guilt lies for the present conflict and all the sacrifices it entails.

Trade Opportunities Ignored

For some time prior to this war, however, a notable change had been taking place in world economy which calls for more attention than it has yet received. I refer to an evident reversal of the policy of extreme nationalism and economic self-sufficiency which was adopted by many countries as a means of self-preservation under the conditions created by the Great Depression. An example of this new attitude was the trade agreement made a little over a year ago between Great Britain, the United States and Canada. This agreement was one of many of a similar nature entered into in recent years between the United States and a number of other countries. While designed primarily to improve the mutual commercial relationships of the contracting nations through a lowering of tariff barriers, these treaties were expected, with good reason, to help in correcting the difficulties under which world trade in general had for so many years been labouring. It is tragic that Germany should have failed to recognize, or perhaps deliberately ignored, this change in sentiment. Instead of adjusting her policies to the new trend and giving her people the opportunity to exercise their undoubted talents in a constructive manner and so satisfy essential needs which had long been denied them, she condemned them to greater privation and the whole world to the dislocation and sufferings of a major war.

Effects of War on Business World

Business men of every nation, far from welcoming war, have every reason to desire peace and good order in domestic and international relations.

They know that the intense demand for materials required for the prosecution of war and the consequent increase in employment and general activity may produce, for a time, abnormal profits and an atmosphere of prosperity. They know too, however, that this seeming prosperity is accompanied by the waste and destruction which are part and parcel of such a conflict. Therefore, a price is eventually exacted for these wasteful losses far exceeding the temporary gains previously secured.

There can be little doubt that the agricultural, industrial and financial difficulties which the world has faced in recent years, such as currency inflation, maladjustment of price levels, trade restrictions and widespread monetary and political disorders can, in the main, be traced directly or indirectly to the last Great War and its aftermath.

Better far, both from the business point of view and that of humanity at large, those peaceful conditions which encourage the steady expansion of commercial relations both within and across national borders, the widest possible distribution of the varied forms of production available to mankind and reasonably constant profits on however modest a scale.

All such considerations, however, must be laid aside when, as now, a nation finds its very existence threatened by an aggressor seeking world domination. Modern warfare necessitates the mobilization of national resources under the command of governments. We may well, therefore, take stock of our economic position.

Canada's Economic Transformation

The conditions under which Canada entered this war were very different from those of that fateful August of twenty-five years ago. Then the Dominion was suffering from reaction consequent upon the over-expansion of railway construction and speculative excesses of a Western land boom. The international crisis developed so rapidly that there was but little time to adopt protective measures against war, the immediate effects of which, when it broke, were almost paralyzing to our young country. In striking contrast, the outbreak of hostilities last September found Canada in a healthy and progressive condition, and with plans made well in advance by numerous organizations to meet the shock of a breakdown in negotiations for a peaceful solution of international problems. On this occasion therefore, strong resistance developed against the disruptive influences of war.

A year ago I outlined to you an economic transformation since 1929 which had shifted Canada from a predominantly agricultural base to one distributed between agriculture, mining and manufacturing. Summarizing the analysis which supported that statement, it was concluded that mining and manufacturing (including forestry) accounted for about 60 per cent. of the net value of national production, as compared with less than 50 per cent. ten years previously. The proportion contributed by agriculture had, however, declined from more than one-third to 20 per cent. and could not be expected to rise above one-quarter even in a period of good crops and fair prices. In the development of new types of enterprise which lifted Canada to a high industrialized plane there were many peace-time advantages, among them the provision of a much greater range of commodities for domestic use and for export, a broadening of the taxable structure at a time when public authorities required increased funds and the widening of the avenues of employment.

Canada's Strength for Allied Cause

We can reasonably regard this greatly enlarged economic organization as of such importance as to add considerably to the strength of the Allied cause in this conflict. In fact, the increase in Canadian productivity accounts in considerable degree for the greater margin of economic superiority of the British and French Empires over Germany today as compared with that existing in 1914-18, which proved to be the decisive factor in that conflict. Within these Empires there is produced more than one-third of the world's supply of such essential war materials as the major non-ferrous base metals and manganese, over 90 per cent. of the nickel, about one-quarter of the raw cotton and wood pulp, nearly one-fifth of the tungsten, 60 per cent. of the rubber, 40 per cent. of the tin and approximately half of the wool and gold. In those neutral areas, the United States and Latin America, which also serve as sources of materials for the Allied forces, but from which in a commercial way Germany is practically isolated, are the world's largest supplies of petroleum and cotton, as well as important quantities of metals and wool. Germany is deficient in all the commodities I have mentioned, and in that entire region from which she now can draw, that is to say, the neutral section of Continental Europe including Russia, there is less than 15 per cent. of the world's supply of petroleum and cotton, not more than one-fifth of the production of wool and gold, scarcely measurable quantities of tin, tungsten and nickel and no natural rubber. Iron, manganese, lead, zinc and wood pulp are the only materials which Germany might be able to secure from contiguous countries in comparable proportions to those available in the Anglo-French domain. There is no certainty, however, that Germany can export to these countries sufficient goods to pay for the supplies of war materials she requires.

Industrial Development

We cannot estimate accurately the economic weight of Canada which will help to tip the scales in the Allies' favour unless we realize to the full how greatly our industrial position has changed to conform to the highly mechanized methods of this war. The capacity of manufacturing plants here is not only at least 10 per cent. greater than in 1929, but actually half as large again as in 1918, when we made our supreme war effort by an abnormal utilization of industrial equipment. But even these figures do not adequately portray the growth of Canadian industry. Now there are not only many more factories and mills, but a greater variety of industrial products and a larger proportion of fully manufactured goods flowing from a more extensive territory. For example, twenty years ago raw materials represented 45 per cent. of our total exports, whereas the proportion today is only about one-quarter, while the ratio of fully manufactured commodities is over 40 per cent. Another example is afforded by the industrialization of the Prairie Provinces which, once regarded as suitable only for agricultural purposes, now have about 2,500 processing plants of all kinds with an annual production value of $250,000,000, nearly as large an amount as the yearly average derived from the farms of Saskatchewan in the banner period of 1926-29.

Mining Development

As I pointed out at last year's meeting, we owe much of the recent industrial development of Canada to mining. While as a result of a moderate recession in some metallic industries early in 1939, this year's value of minerals may not break the record of 1937 ($457,000,000) the productive capacity of mining is actually at an all-time peak. Moreover, the comparatively huge supply of minerals provided in recent years for metallurgical and other processing establishments has been augmented recently by domestic iron ore in important quantity for part of the Canadian steel industry which, with a capacity of 1,750,000 tons per year, formerly imported all its raw material.

The mining industry has won another distinction. We have probably never had a better instance of strong and loyal co-operation than is evident in the recent agreement of this country's major producers of copper, lead and zinc, in the face of rising costs of many other commodities, to place their output at the disposal of the Allied forces at prices actually below those prevailing in the open market. None but well-managed, low-cost mining companies with large reserves of good grade ore could lend such aid as this.

$200,000,000 of New Gold

In addition to these vital war materials we have other of equal importance, notably nickel and gold. The pre-eminence of our nickel industry is not due entirely to the fact that Canada is the source of most of the world's supply of this essential material but, also, to long and successful efforts in peace times to develop new uses for this metal, partly as a result of which its production has more than doubled since 1918. Gold, moreover, assumes a new importance at this critical time, for it has now an increased value in terms of commodities, many of which may not be obtainable upon credit. It is, therefore, gratifying that Canada's production of gold now exceeds, for the first time, an annual rate of five million ounces, with a value of nearly $200,000,000, an amount not far short of that which this country may have to spend for war purposes during the next year.

Economic Mobilization

Mobilization of our economic resources has in the last three months proceeded, between British and Canadian governmental authorities and business interests, in a spirit of general co-operation beyond that attained during the earlier part of the Great War, when the Allies engaged in individual, and in considerable degree competitive, rather than co-operative buying in Canada and the United States. However necessary, skilful and extensive the emergency measures to effect this mobilization, I do not think it could have been undertaken without considerable disturbance to trade and greater public hardship had not the business organization been of the flexible type characteristic of private enterprise. Indeed, there would be no such highly developed system to play a leading part in this serious situation if the constructive influence of private enterprise had been lacking in the last twenty years.

Emergency Measures

One of the main problems before us is to maintain the vitality and flexibility of this system, which is made up of a great many more small interests than of large corporations and institutions. It should not be taken for granted that governmental authorities in assuming the heavy responsibilities devolving upon them at this momentous stage of our history contemplate absolute and permanent direction of the national economy. But past experience shows that emergency measures can become fixtures. This economic system, upon which so many hopes of victory rest, should not be exploited merely to test extreme politico-economic theories. We need now, and we shall need in the future, all the progressiveness and resilience of which this wealth-producing organization has shown itself capable in the past. It is therefore of the utmost importance that it be not rigidly bound by unnecessary controls and that it be released from all necessary war-time controls as soon as possible after the restoration of peace. Then, we should have the creation of new, self-supporting enterprises and of a greater national income to help to carry the heavier debt which we must assume, as well as to provide a higher standard of living for our people. For both such worthy purposes we shall need new capital, which will be available in the required volume only if we preserve economic democracy.

Canada's War Activities

It may be thought that Canada's participation in orders for war materials has so far been small in proportion to her productive capacity. The fact should not be overlooked, however, that considerable demands have already been made upon some of our industries for a war which as yet seems only in the preparatory stage. Furthermore, these demands are more likely to expand in the near future than to contract. But while the full scope of our war efforts is a matter of conjecture, there should be considerable satisfaction in the fact that we have comparatively enormous economic powers to exert, if need be, in a more violent struggle. It should also be kept in mind that Great Britain and France have been in a state of war preparation for some years and therefore that they have greatly expanded their armament and productive facilities. They have also accumulated large stocks of materials, while the drain on these accumulated reserves has so far fallen far short of pre-war anticipations. It should also be noted that as the world supply of basic materials is about half as large again as in 1918, the purchasing representatives of these two nations are in a position to obtain their requirements on favourable terms. With the memory of the shortages of materials in 1917 and 1918 and of the swift rise in prices during those years it was perhaps only natural that considerable forward buying by private interests should have taken place when this war was declared. But in view of the present commodity supplies and the many new sources available, inventories might wisely be kept at reasonable levels so as to avoid serious losses in the event of an early peace.

Export Opportunities

I should not leave you with the impression that the prospect of an active business year ahead rests solely upon a large armament and war trade. Normal business has been stimulated by the removal of some of the handicaps present a year ago, by the near-record crops recently harvested which have raised farm purchasing power by about 10 per cent. during the past twelve months and by a spectacular record in export trade. Already, before the declaration of war, Canada had been able to improve her position in foreign trade to the extent that the volume of exports for the twelve months ending August last was approximately one-third greater than that of the previous twelve months. World trade as a whole achieved no comparable results after its drastic decline during the first part of 1938. The estimated volume of world trade during the second quarter of 1939 was, in fact, less than 10 per cent. above that of the year before, whereas the comparable increase in Canada's export trade was more than 40 per cent. The rise in Canadian exports was accounted for primarily by larger shipments of grains, cattle, fish, dairy products, lumber, metals and general manufactures, as well as by considerably heavier shipments of canned fruits, vegetables and tobacco. The war has naturally altered the direction of flow of our foreign trade, bringing into greater prominence the channels to the Americas. Total exports for September and October of this year, as compared with the corresponding months of 1938, showed an increase of $29,000,000 in those to the United States, part of this being accounted for by shipments of Canadian grains into American positions. Marked increases were also recorded in exports both to other members of the British Empire on this side of the Atlantic and to Latin America.

South American Trade

These increases have more than made up for the decrease in direct sales to the United Kingdom and to Continental Europe, both of which declined for these two months by about $10,000,000 as compared with a year previous. Canada can supply the United States and Latin America with numerous products which they formerly imported from Europe to the value of many millions of dollars annually, but which either are not available at present or are more expensive than formerly. There are, therefore, greater foreign trade opportunities in the Americas than we have ever had before, and it is to be hoped that full advantage can be taken of them and of other normal developments so that we may have a post-war economy more easily adjustable to peace-time conditions than that which we had to reconstruct in the several difficult years after 1918.

Bank's Co-operation Pledged

The resources of the Bank available to serve the legitimate credit requirements of the agricultural, commercial, industrial and financial groups of the community in the much greater effort they will be called upon to make as the war proceeds in ever-increasing scale and intensity, are fortunately much larger than they were in 1918. Needless to say, the Bank pledges its loyal co-operation with the Dominion Government and other public authorities in all measures deemed necessary for the successful prosecution of the war.

New Building

Biltmore Theatre Ltd. has started construction of $50,000 theatre building in Oshawa, Ont.

Y.M.C.A. is starting work immediately on the main unit of the $194,000 building project for the Notre Dame de Grace branch in Montreal.

Toronto City Council has voted to consult the ratepayers in regard to an $11.2 millions programme of improvements, including $5.5 millions for a modified first stage sewage disposal project and an equal amount for major street extension schemes in the east central and west central sections of the city.

Reported by Engineering & Contract Record:

Canadian Gypsum Co. has contract for acoustical installations in connection with construction of $3 million Supreme Court building at Ottawa.

Canadian Greyhound Lines Ltd. will award contract shortly for $200,000 bus terminal at Windsor.

Glidden Co. has awarded contract for $60,000 addition to Toronto plant.

Banking

Bank Earnings Keep Pace With Loans

Expansion in Borrowing Reflected in Annual Statements — Increased Demand For Credit Indicated in Coming Months

Upward trend in the current loans of the Canadian chartered banks points to improved earnings for these institutions in the coming months.

Already four of the nine banks in which there is investment interest have issued their annual statements, the Bank of Montreal, Canadian Bank of Commerce, Dominion Bank and the Imperial Bank. In each case the earnings for the fiscal year ended Oct. 31, were at a higher rate than a year ago. On a per share basis, the gains amounted to only a few cents but they were significant in that increases were shown by all four while a year ago only one, the Imperial reported a gain over the previous year. In each case loans were higher than a year ago.

Of the remaining five banks, four ended their fiscal years on Nov. 30, the Banque Canadienne Nationale, the Provincial Bank, the Royal Bank and the Bank of Toronto. The Bank of Nova Scotia closes its year Dec. 31.

In nearly every case, current loans, the big item in bank earnings are reported in the return to the Minister of Finance for October, the latest available, as higher than a year ago. Changes from last year are as follows:

	Current Loans Oct. 31	Change from 1938
	Millions of Dollars	
Montreal	201.3	+22.6
Nova Scotia	96.9	+ 9.0
Toronto	48.4	+ 6.7
Provinciale	13.3	— 0.4
Commerce	201.7	+38.2
Royal	214.6	+10.6
Dominion	58.3	+ 8.6
Nationale	51.3	+ 2.6
Imperial	64.0	+ 5.6

Functions of a Bank

Interest from loans and income from investments are the two main factors in bank earnings. In recent years owing to the relatively small demand for credit, the banks have been forced to put a much larger percentage of their assets into securities than formerly. Apart from the fact that the rate of interest on these has been relatively low, bankers have felt that such heavy investments as they have been obliged to carry were not part of the ordinary functions of a bank. One head office official stated to The Financial Post, "We are merchandisers of credit not an investment company. What we want is a greater volume of borrowing at current interest rates which will give us a better return than we get from our investments."

This year the huge wheat crop has seen that demand realized partially at least. Added to the wheat crop has been the greater business activity resulting from the war.

Looking forward to the coming months the belief is expressed that the volume of loans will be maintained. For one thing much wheat will be stored over the winter in this country all of which will be financed by the banks. Then business is more active owing to the war while the downward drift in interest rates appears to have been checked.

Weekly Bank Clearings

	Dec. 7 1939	Change Year Ago	Nov. 30 1939
	$	%	$
Halifax	3,217,841	+9.4	2,573,011
Saint John	2,149,742	+13.6	1,652,678
Moncton	1,115,549	+32.9	857,081
Sherbrooke	853,588	+17.9	716,721
Quebec	5,648,668	—4.9	4,562,418
Montreal	122,730,194	+7.7	96,017,627
Ottawa	33,349,829	+19.1	18,262,010
Peterborough	716,969	+8.5	541,518
Toronto	131,131,102	—0.9	98,249,471
Hamilton	6,736,230	+27.0	5,386,069
Kitchener	1,356,562	+10.5	1,033,481
Brantford	1,130,875	+4.8	683,319
London	3,307,382	+8.2	2,510,156
Kingston	766,384	+9.2	543,889
Chatham	757,064	+7.8	575,345
Windsor	2,897,364	—6.4	2,391,872
Sarnia	631,451	—9.7	350,457
Sudbury	1,196,219	+39.5	1,154,168
Fort William	892,101	+10.3	734,618
Winnipeg	75,627,533	+96.2	66,162,593
Brandon	403,096	+12.2	280,405
Regina	5,433,573	+33.8	4,586,234
Moose Jaw	726,761	+19.3	......
Saskatoon	1,891,693	+36.0	1,554,749
Prince Albert	423,909	+29.0	400,044
Edmonton	5,046,193	+23.9	4,099,523
Calgary	8,325,182	+37.0	6,544,230
Lethbridge	660,383	+24.8	638,886
Medicine Hat	283,163	+13.3	288,756
N. W'minster	705,268	+9.9	692,488
Vancouver	21,129,548	+16.2	15,745,349
Victoria	2,037,645	+9.0	1,483,744

Over $27 Millions In Personal Loans

In the three years the personal loan department of the Canadian Bank of Commerce has been in operation, it has made 185,000 individual loans aggregating over $27 millions, said A. E. Arscott, general manager, at the annual meeting of the bank's shareholders in Toronto this week.

The bank's analysis of these loans at the end of October showed them to have been used for the following purposes by the classes of people indicated:

Purpose of Loan	% of Total
Medical bills, etc.	12.36
Debt consolidation	30.11
Taxes, ins., mort.-payts.	8.73
Education	5.77
House furnishings, etc.	10.14
Clothing, coal., etc.	32.89
	100.00

Occupation of Borrowers	
Wage earners and artisans	37.83
Non-manual workers	28.50
Executives	10.69
Professional, etc.	22.98
	100.00

Mr. Arscott, however, pointed out that the loaning of small amounts is by no means confined to the personal loan department which is a specialized service. In the year covered by the report the number of other borrowers totalled 155,352. Of these 142,405 or 91.66% of the total, borrowed individually $2,000 or less.

In this connection he noted that each of the bank's managers has a fixed limit up to which he may make loans without reference to any senior officer. In most cases this limit is $2,000 and many managers in the larger communities, he said, who have had longer experience, are accorded higher limits. "It will be noted therefore, that a great percentage of our loans are made by managers on their own responsibility. This is a complete answer to the allegation which has been frequently made that loans generally are so closely under the supervision of head office authorities that managers are prevented from lending where their knowledge of local conditions convinces them a loan could safely be made."

Weekly Statement Bank of Canada

Reduction of $17 millions in Dominion Government deposits shown in the statement of the Bank of Canada for the week ended Dec. 6, probably reflects Government expenditures for war purposes. Deposits of the chartered banks also were down $3 millions, reflecting the withdrawal of cash reserves, following the close of the fiscal years of certain of these institutions. Note circulation of the Bank of Canada was up $2 millions, a seasonal development at Christmas time when more cash is required for general business.

On the assets side, reserves of sterling and United States exchange were lower, in consequence, it is believed of purchases of war materials in the latter country. Investments were down, some $13 millions of short term issues evidently being turned into cash to pay off Dominion Government and chartered bank deposits.

Balance Sheet	Dec. 6 1939	Nov. 29 1939
	$	$
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	224,951,361	222,300,586
Rest fund	1,903,515	1,903,515
Depos.: Dom.	39,463,807	56,903,494
Banks	219,129,873	222,083,570
Other	24,096,748	21,166,592
Total deposits	282,690,428	300,153,656
All other liabs.	6,588,808	6,128,442
Total liabs.	521,134,112	535,486,199
Assets		
Reserve: Gold	225,674,987	225,674,987
Res. in sterling and U. S.	56,594,623	60,707,227
Other curr.	872	564
Total reserve	282,270,482	286,382,778
Subsidiary coin	103,999	110,205
Investments:		
Dom. govt. short	185,947,317	198,462,135
Other Dom. govt.	47,111,041	46,208,637
Total invest.	233,058,358	244,670,772
Premises	1,684,861	1,681,857
All other assets	4,016,412	2,640,587
	521,134,112	535,486,199
Reserve ratio	55.60%	54.81%

Staff Changes

The Royal Bank of Canada announces the following staff changes:

J. L. ADAM, assistant manager, Edmonton, to be manager, Jasper Ave. West, Edmonton.

F. GINGRAS, accountant, Mt. Royal & St. Lawrence Blvd., Montreal, to be manager, Sherbrooke & St. Denis, Montreal.

A. T. HILLARY, assistant manager, Halifax, to be manager, Victoria Ave., Westmount, Que.

W. G. HOLMES, supervisor's department, Toronto, to be manager, Sherbourne & Queen, Toronto.

J. V. B. SAINT-CYR, manager, Sherbrooke & St. Denis, Montreal, to Christopher Columbus & St. Zotique, Montreal.

G. D. MATHESON, supervisor's department, Toronto, to be accountant, St. Catharines, Ont.

J. E. H. MONTPETIT, accountant, Upper Town, Quebec City, to be accountant, Mt. Royal and St. Lawrence, Montreal.

The Canadian Bank of Commerce announces the following staff changes:

T. L. PREST, manager, Edam, Sask., to be manager, Brussels, Ont.

R. E. WOODWARD, manager, Tuxford, Sask., to be manager, Edam, Sask.

F. W. WILSON, manager, Orillia, Ont., to be manager, Lindsay, Ont.

J. R. PILON, formerly manager, St. Pierre et Miquelon, to be acting manager, St. Henri, Montreal.

C. JOHNSON, manager, Provost, Alta., to be manager, Orillia, Ont.

L. R. BLACKWOOD, manager, Wingham, Ont., to be manager, Sarnia, Ont.

O. K. LAWSON, manager, Sarnia, to be manager, St. Catharines, Ont.

G. E. NORTHWOOD, manager, Brussels, Ont., to be manager, Wingham, Ont.

E. J. BEGAR, manager, Niagara Falls, to be an inspector, head office, Toronto.

E. MORGAN, assistant vice-president, Canadian Bank of Commerce (California), Los Angeles, Calif., to be assistant manager, Hamilton, Ont.

W. T. PARKER, manager, Souris, P.E.I., to be manager, Lunenburg, N.S.

B. J. McLEAN, manager, Smiths Falls, Ont., to be manager, Niagara Falls, Ont.

A. J. WHALEN, assistant manager, Hamilton, Ont., to be manager, Smiths Falls, Ont.

M. C. WEST, manager, Lunenburg, N.S., to be manager, Souris, P.E.I.

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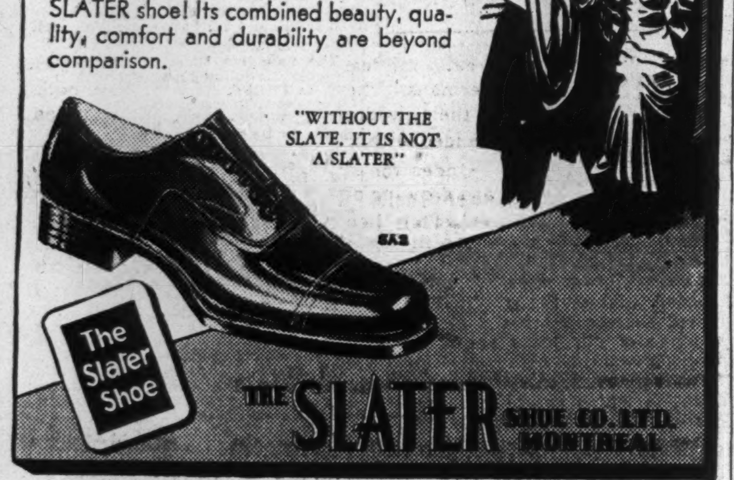

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THE SLATER SHOE CO. LTD. MONTREAL

Canadian Light Elects Wilson President

From Our Own Correspondent

MONTREAL.—Following a meeting of directors of Canadian Light & Power Co., announcement was made that James Wilson was elected president and director, to fill the vacancy created by the death of Julian C. Smith. H. G. Budden was elected secretary, and John Morse appointed general manager.

Do's and Don'ts of Exchange Control

Rules of System Now Declared Almost Complete

Foreign Exchange Control Board officials believe they have now practically completed the job of rule-making. The general principles of the control were drawn up months prior to the outbreak of war. When the Exchange Control was announced Sept. 16 the main body of detail was also available, though, it must be admitted, digesting the meaning and implication of it was not nearly so promptly achieved.

But in the intervening three months, thousands of special cases unpredictable and probably unique in the dealings of Canadians with the rest of the world came up, requiring special rulings.

Some of the original rules were found ineffective and requiring amendment.

Business soon found leaks in the wall which Exchange Control had built around Canadian finances and business. New rules and old rules in new form had to be rushed out to plug those leaks.

But it is believed enough time has now elapsed to bring up the problem of practically every Canadian and foreign businessman with dealings across our borders. Instead of rule making, the Board's job now becomes administration.

For reference, review, and simplification, The Financial Post herewith rounds up the general rulings of the Board as they affect various people engaged in various transactions and facing various financial problems. Not listed here are special rulings usually applying only to two or three persons. Such information can be best secured from any chartered bank or special agent of the Board.

One point in connection with Exchange Control deserves emphasis. The requirement that a permit is required for various business transactions does not mean that such a transaction is prohibited. The Control wants to disturb normal business as little as possible. But it does definitely require information about Canada's foreign dealings.

The Canadian With Securities in United States or Abroad

—must report all foreign securities held Sept. 15, whether held in Canada or elsewhere if their value exceeds $1,000.
—may sell foreign securities to another Canadian; that is switch foreign holdings in Canada.
—may sell foreign securities to a non-resident provided payment is made in foreign exchange. The foreign exchange so received must be sold to the Exchange Control Board.
—may sell foreign securities and reinvest in other foreign securities.
—may not export or import foreign securities without a permit.
—cannot secure foreign exchange for the purchase of foreign securities.

(These clauses apply especially to persons with a brokerage account in United States. Its effect is that they may leave their account there, trade as often as they wish. Uninvested balances are not disturbed. They are, however, prevented from sending further funds from Canada to add to the size of the foreign brokerage accounts.)

The Non-resident With Securities in Canada

—Can get a license to take out of Canada any such securities domestic or foreign held Sept. 15.
—can buy Canadian or foreign securities in Canada after Sept. 15 provided these purchases are made with foreign exchange.
—can sell Canadian securities to another non-resident (Such as trading Canadian stocks in United States).
—may not be able to sell Canadian securities to a Canadian. The Canadian purchaser would likely be refused a permit for the requisite foreign exchange and would need a permit even to pay in Canadian dollars.
—can switch holdings of Canadian securities into other Canadian securities provided the total value of the new securities purchased equals the value of those sold.
—can convert all interest and dividends into foreign exchange for export "home."

(An exception is made here. Special application is necessary for the conversion where the Canadian company's shares are held by less than 100 persons or where 50% or more of such shares are held by one non-resident. It was on this clause that Imperial Oil and its subsidiaries were recently obliged to reduce the dividend. Some 70% of the payment would have been made to Standard Oil of New Jersey. Since part of the dividend represented a withdrawal of accumulated surplus, the authorities argued this was in effect a withdrawal of capital).
—is not in any way affected in the case of securities where dividends and interest are expressed in foreign currencies. In such cases, the payment is made in foreign exchange; hence the receipts may be freely drawn from the country.

These clauses are the vital provisions which protect Canadian industry and security markets against the devastating results of potentially widespread selling by non-residents which would be damaging both to the non-resident investor, to Canadians and the Canadian war effort.

The Canadian Who Exports to United States or Abroad

—can readily secure a permit for goods if within the normal scope of the applicant's business. Blanket permits are awarded most regular exporters.
—must sell all goods for foreign exchange except for: (a) exports to Newfoundland, (b) contracts made prior to Sept. 15 and (c) in certain cases where special permission is granted by the Board for sale to British Empire countries for payment in Canadian dollars.

The Non-resident Exporting to Canada

—is not affected by the Exchange Control. The Canadians to whom he sells the stuff can always get foreign currency to pay for the merchandise, shipping costs, etc.

Non-resident With Canadian Insurance, Mortgage, etc.

—has no difficulty in collecting his claim, his interest, principal or anything else owed to him by Canadians. Foreign exchange is always granted for dividends, interest and other yield on a capital investment.

The Non-resident With a Bank Account in Canada

—provided the funds are in a foreign currency and were placed here prior to Sept. 16, can use his money as he sees fit without any restriction whatever.
—provided the funds are in Canadian currency is provided with foreign exchange for the withdrawal of funds up to $5,000. For the balance of such an account, he may withdraw them in Canadian dollars, or may transfer his Canadian dollar balances to another non-resident or to a resident.

The Canadian With a U. S. or Foreign Bank Account

—can pay out money in the account Sept. 15 after a permit has been obtained.

This will be granted for any purpose for which foreign exchange will be sold.

(Note that this does not permit use of a foreign bank account to acquire additional foreign securities).
—can use such account as repository for foreign exchange purchased from the Board and for its disbursement for the specific purpose for which it was purchased.
—can let interest of the account accumulate.
—can use it for the accumulation of foreign exchange provided such foreign exchange is sold to the Control Board at the end of each month.
—can use it, with permission of the Board, for holding balances temporarily uninvested in the course of trading in foreign securities.
—can use it for transactions on behalf of non-residents by a resident trustee, executor or agent.

The Non-resident Who Sent Capital Here After Sept. 15

—may not find such capital "frozen" in the Dominion for the duration of Exchange Control. If this capital has been invested in an entirely new undertaking, such as will add to the industrial stature of Canada, the building of a new manufacturing plant, for instance, or the development of a mine, or enlarging some established business, the Board's present policy is to provide the foreign exchange necessary for liquidation. It is provided, however, that the amount of foreign exchange that will be made available when the company is pulling up stakes to leave the country will be no more than it brought into the country originally.

This is an important clause which leaves the way open for Canada's industrial growth, especially with the aid of refugee capital which was coming here in such a big stream in months prior to the outbreak of war.

Canadian Visitor to United States or Abroad

—is in no way handicapped by Exchange Control.
—can secure all the foreign exchange necessary for the ordinary needs of travel. The Canadian can take $100 per month out of the country without a permit ($100 for himself, other hundreds for members of his family or party).
—may secure foreign exchange up to $1,000 per person for normal travel requirements.
—can secure larger sums by satisfying the Control Board that they are required for the normal needs of travel and living expenses abroad., and in no way contravene the purposes of the Control.
—can take automobile and personal effects, samples, etc. the same as normally.
—must tell customs officers how much money, goods, travellers cheques securities or other property is being carried. If more than $100, a form is to be filled out, but this is simply a report, not a prohibition for the legitimate tourist.

Non-resident Visitors to Canada

—are in no way affected by Exchange Control. At the port of entry they will be asked how much money and negotiable securities they are carrying. This information will again be asked on departure. It is purely for their protection and implies no threat of limitation or prohibition. No legitimate tourist not attempting to get funds out of the country illegally, has anything to worry about.
—may bring automobiles and all other personal equipment with them as before. No limit of any kind is placed on the amount of money they carry and all the Canadian currency requested will be provided them at a standard rate of exchange.

The Canadian May Also—

—continue to send outside the country regular benevolent payments which were being made prior to Sept. 15, but the Board is to be informed of the case.
—send up to $100 a month to one person outside the country for any purpose without a permit except for the purchase of securities.
—send gifts up to $25 value per month per person without license.
—bring in $100 worth per month per person of personal or household goods brought into the country personally.

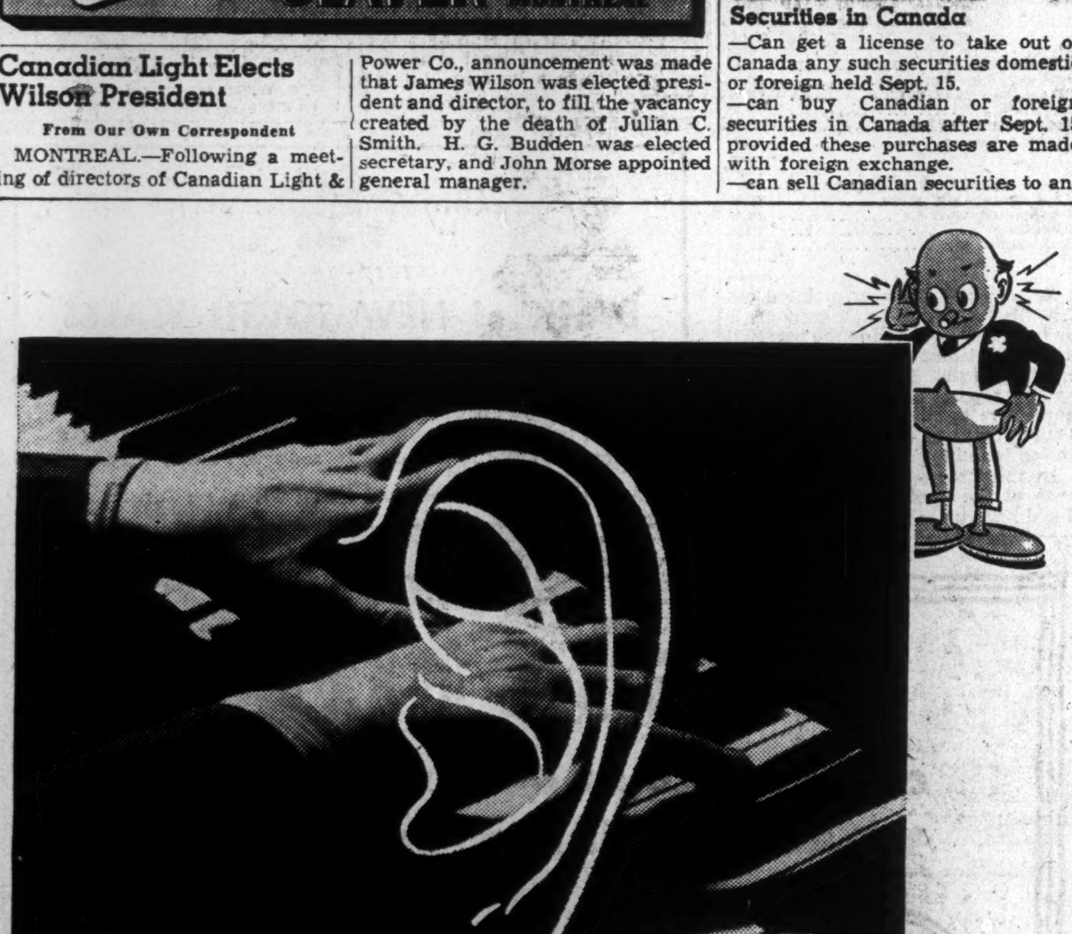
The Non-resident, Without Restriction, Continues to Receive

—the ordinary profits of a firm or unincorporated company, payable abroad to a partner or owner who was non-resident Sept. 15.
—pensions paid by Canadians to a non-resident prior to Sept. 15.
—rents and interest.
—income from an estate or trust administered in Canada prior to Sept. 15.
—insurance claims, annuities, etc. whether the contract provided for payment in foreign or Canadian currency.

Distillers-Seagrams Pref. For Sinking Fund

From Our Own Correspondent

MONTREAL. — Distillers Corp.-Seagrams announced that an additional 500 shares of preferred stock of 5% series were purchased for retirement and cancellation on account of sinking fund during November. The issued capital now totals 163,600 shares of preferred and 1,742,645 common shares.



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EYE appeal . . . colour appeal . . . price appeal . . . sex appeal . . . all familiar phrases to you. Of growing importance is the newer appeal of radio, an appeal which yearly exerts a greater influence upon sales . . . have *you* tried "ear" appeal in advertising?

The ear appeal of radio has many distinct advantages in selling. When properly used it is warm, real, personal, persuasive and convincing in its approach. It is YOU speaking directly to YOUR prospect . . . an approach which salesmen have always claimed to be the most effective and which sales results of radio-advertised products confirm.

Discuss radio with your advertising agency and let them add this strong medium to your fall and winter campaign. The "All-Canada" representative will gladly co-operate by supplying information on rates, time, and stations. His practical experience will help build a programme with "ear appeal" for the people you wish to reach. "All-Canada" service is available through any recognized advertising agency without cost or obligation. Write or phone our nearest branch.

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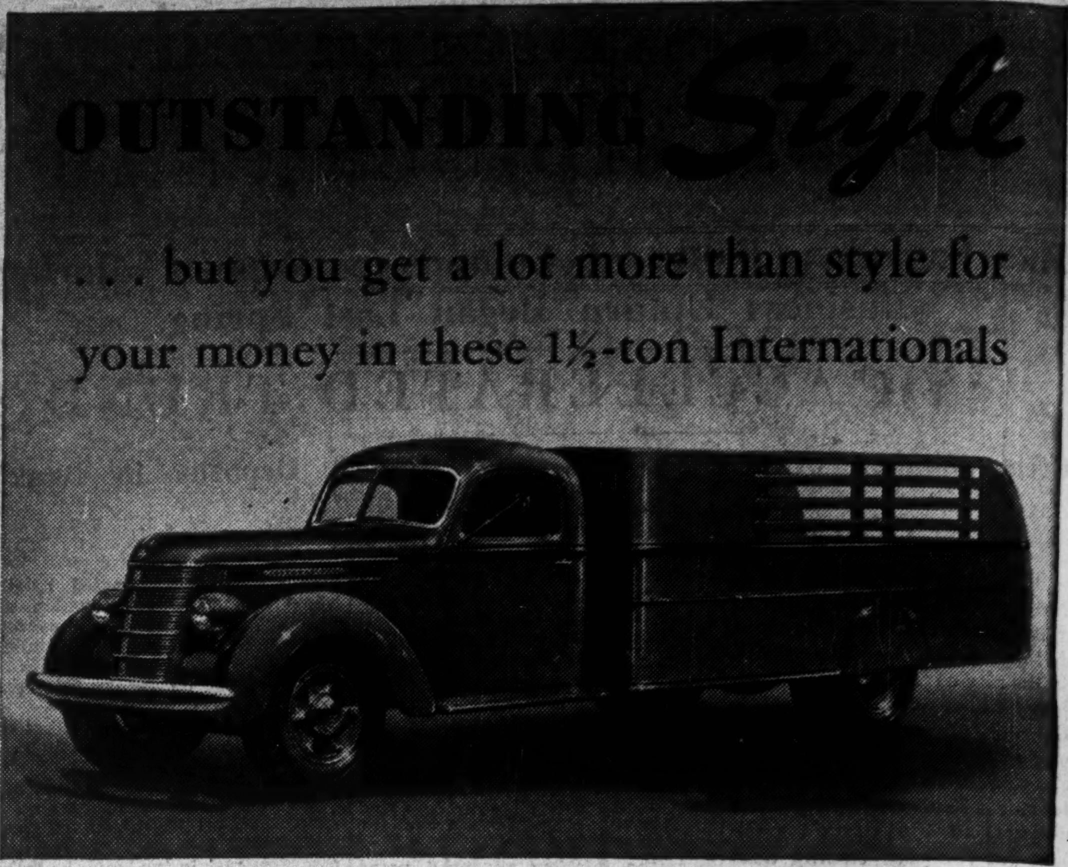
Exclusive Representatives of Leading Stations from Coast to Coast



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. . . but you get a lot more than style for your money in these 1½-ton Internationals

This picture of the 1½-ton Model D-30 doesn't half do justice to the truck. It gives you a good idea of the modern streamlined beauty of International Trucks, but it doesn't tell you a thing about the amazing economy of the trucks on your job. Drivers and owners can tell you about that.

It takes more than just style to deliver International performance. A new line is not just a matter of the calendar with International Harvester. Constant improvements in engineering and construction *make* and *keep* International Trucks the standard for the industry.

The constant aim of this company is to give you *hauling value—to make economical performance your lasting source of satisfaction.* HAULING VALUE—plus distinctive beauty of design that is recognized and admired wherever loads are hauled.

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And throughout your years of International ownership, the network of Harvester's Company-owned truck-service organization is ready to service your truck at all times.

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T. EATON Co

Investing in Wartime (Page 14)

THE FINANCIAL POST

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Vol. XXXIII Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, DECEMBER 16, 1939 10c a Copy; $5.00 a Year No. 50

The War Will be Short —

Author of This Article is a European Economist Who is Now a Refugee From the Greater Reich

For six years it was believed in democratic countries that Nazi Germany could not afford a major war. Now that the major war has got well under way, the same opinion continues to find general expression, with only one word altered. Instead of "major" war, it is a "long" war which the Nazis cannot afford.

It does not seem to have occurred to many people that since there was obviously something wrong with their reasoning in the first place, they cannot expect that reasoning to apply in the second. The Nazis will not survive a long war, but those who are looking for economic collapse are looking in the wrong place. When the collapse comes, it will be moral and not economic; it will be the result of positive idealistic longings, rather than of negative, materialistic privations.

Wrong Yardstick

The tendency to overestimate the political significance of Nazi economic organization seems to be due to a fairly general misconception. The democratic countries have persisted in judging the Nazi economy by capitalist standards, and have found it inadequate to meet, first, the demands of a major war, and then the demands of a long war. For the past three months, every newspaper account of possible and actual shortages within the Reich, no matter how speculative, has been seized and swallowed whole.

If these stories were true, the German nation would have run out of almost everything some time ago. Those who base their opinions upon statistics are right, within their own terms, for there is nothing wrong with their theories. It is simply their facts which are at fault. Nazi Germany is not capitalist but socialist, and as such, governed by a different set of economic laws.

Under cover of a barrage of words about the Communist menace, the National Socialists converted the former capitalist structure into a smoothly functioning machine differing somewhat in degree but not at all in kind from that of Soviet Russia. The social shell was retained; the economic organism within was annihilated. Men like Krupp and Thyssen were not taken out and shot, but they were reduced from their former positions as owners and proprietors to the status of directors, safeguarding not their own interests, but those of the state.

The Nazi Government has absolute control over capital and labor, the production and distribution of goods. The German manufacturer or industrialist is told where he shall buy his raw materials and how much he shall pay for them; where his plant is to be established and how much it must produce, where he shall hire his labor, what holidays his employees shall receive and the amount of their wages. The quantity, quality and price of his products are also entirely controlled by the government.

Living on Substitutes

As everyone knows, the shortage of foodstuffs, raw materials and manufactured goods which formerly constituted the bulk of German imports trade has been made up partly by increased production and partly by the development of "Ersatzstoffe" — synthetic substitutes. In spite of statistics, Germany not only absorbed her unemployed, but made very serious inroads on the foreign trade of theoretically much more powerful countries.

The effects of the occasional food shortages in a country with a non-materialistic conception of life have been greatly exaggerated by the outside world, and all rumor to the contrary the German people have had quite enough to eat. In 1933 Germany produced 10 million tons of steel. In 1939 the estimated production is 25 million tons. Although 1933 was a very bad year, the increase is still not without significance.

The lack of gold, credits and raw materials should not produce too much optimism among the Allied peoples so far as the war is concerned. The Nazis do not play the economic game according to orthodox rules. The actual hardships which the German people will have to endure will remain relatively unimportant for some time to come, and it is no more reasonable to expect them to revolt against those hardships than, for example, to expect the British people to revolt against a 37% income tax and a 4.30 blackout.

From a psychological point of view, by concentrating on the economic aspect of the Nazi war problem to the exclusion of moral, the Allies are putting German resistance on the level of a fight for self-preservation, and incidentally serving the Nazi cause very well.

There is no question that British and French insistence upon a distinction between the word "German" and "Nazi" is something more than a verbal whim. It is one of the Allied weapons, and if it were not potentially effective, the Nazis would not be so enraged by it. There must be some very good reason why they have tried, over and over again, not only to deny that the Allied leaders are telling the truth, but also to convince their people that they are fought because they are German.

The statement of the British Government that "we have no quarrel with the German people" received no space in the German press; on the other hand those newspapers, including some published in Canada, which have sought to indict the German nation as a whole have been honored by full quotation. In making the distinction between the nature of a government which keeps itself in power by means of the utmost brutality, terrorism and the withholding and perverting of vital information, and the nature of a people in the grip of that government, the issues remain clearly defined. The emphasis is laid where it belongs, upon the moral, rather than the economic revolt of the Germany people. It is there that our hope lies, and not in the imminence of an improbable collapse.

Morale Already Cracking

German morale, however, is already cracking. Hitler rose to power at a time when his country was in very serious economic difficulties. Some of those difficulties were due to the combined strain of the war and peace, some due to the heavy toll taken by the depression on a heavily industrialized nation. For six years he carried out a dangerous and risky programme according to schedule. For six years the time of success was unbroken.

Then came the Russian agreement necessitated by the invasion of Poland.

The effect of the agreement with the arch-enemy, Stalin, was bad enough; the effect of subsequent developments in the Nazi-Communist relationship was still worse. From the very beginning Russia has used the war, the burden of which is almost entirely Germany's, to further ner own ends at German expense.

At Munich, Chamberlain and Daladier handed the European hegemony to Hitler for the sake of peace; three months ago, Hitler handed it to Stalin for the sake of the short ecstasy of revenge. And the result, ironically enough, is at last a genuine encirclement which, although they have still some distance to go, the German people must recognize as well as anyone else. The Russian encirclement is a major defeat handed by Hitler to his own people. If a democratic leader were guilty of such a blunder his position would at least be somewhat difficult; for Adolf Hitler it will prove fatal. He is no longer infallible, and once a dictator ceases to be infallible, it is only a question of time before he is out.

Czechs, Austrians Take Heart

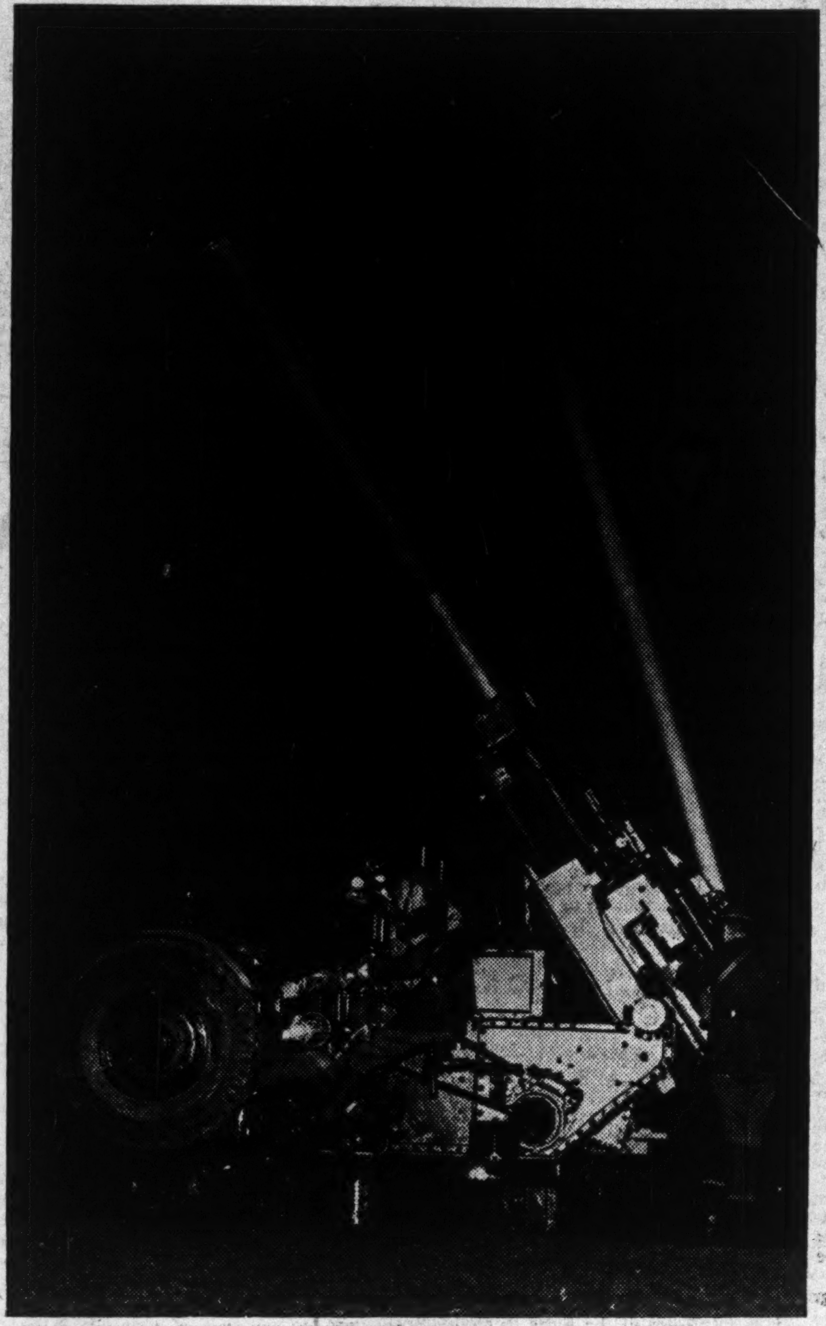
The Russian victory in its effect upon the German nation has a second equally important aspect. Until last September, the Austrian and Czech peoples were helpless in the face of an apparently united Germany, and to them the awakening of German distrust in Hitler must have seemed like the first ray of light after many months of darkness. News from inside Germany is not easy to obtain, but if you can't get the news directly, indirect methods will do. The barometer of opinion inside the Reich proper is the behavior of Czechs and Austrians; in consequence, the revolt of a barracks in Graz, student demonstrations in Prague and trouble in Slovakia and Moravia has a double significance, indicating not only what Czechs and Austrians feel, but the German people are beginning to feel as well.

The Nazi technique of domination and conquest followed set rules for six years. It was owing to the fact that Hitler never varied the pattern, that never failed. The first principle of domination at home, apart from force, terrorism, propaganda and the deadening monotony of incessant marching, was the stirring up of popular enthusiasm at more or less regular intervals by means of triumphs abroad. Those triumphs were gained by absolute concentration upon one end at a time; for months all the mental, material and economic resources of the Reich would be directed against one victim, and Nazi success owed as much to relentless psychological pressure as to anything else. The internal and external balance was always very delicate, and now that balance of confidence and success has been destroyed.

Opposition is Large

After all, the opposition is very large. Besides the former Polish, Austrian and Czech nations, there are inside the Reich proper innumerable Socialists, Catholics, Protestants, Monarchists, and army leaders, who hate the upstart, essentially lower-middle class Nazis, and who are exasperated by the alliance with Soviet Russia. There is nothing that Hitler can do now to stir up popular enthusiasm except stage another beer-hall bombing to gain sympathy. He is trapped.

This opposition to Hitler has not yet appeared in the open, apart from sporadic uprisings here and there, because of the law of gravity which governs all mass movements. The shock will come with the first real offensive on the Western front, when at home there will be a sudden, very heavy strain and confusion; when most of the armed forces will be hundreds of miles away. Then the patience of the German people will come to an abrupt end. The revolt will probably start in Austria and Czecho-Slovakia because, apart from nationalist considerations, these countries, owing to their highly questionable loyalty to Nazism, have been left with their full quota of manpower. From there it will spread to Germany, not because the German people have had enough of Nazi economics, but because they have had enough of Nazi morals.



They Know Germany

The writers of the two articles herewith have extremely good reasons for not signing their names. Both are much too well known to the Nazi Gestapo; both have intimate connections with people in Germany who would be almost certain to suffer concentration camp or worse if either of these writers were known to be vocal antagonists of the Nazi cause.

As several Canadian writers and speakers have recently learned to their surprise, the press of Canada is carefully watched by the Nazis for information and madly distorted versions of sentiments expressed here are frequently and promptly broadcast throughout Germany.

In training, experience and up-to-date knowledge of the situation in Europe, both writers are uniquely well-fitted to argue the vital question every Canadian is now asking: Will it be a long or a short war?

A Middle View

Claims Germany Strongly Entrenched but Cannot Fight Expensive War Either on Land or Sea

Somewhere between the views of the two writers whose opinions on the possible duration of the war appear elsewhere are the conclusions of a third well-informed authority obtained by The Financial Post this week.

This man also must not be identified (although for reasons different from those prevailing in the case of the other two writers). The Financial Post assures its readers that he has unique opportunities for keeping his information on Central European economic matters up to the minute. He made these points:

"Germany's economic position as regards supplies of vital materials is very strong at the moment She has built up large reserve stocks of petroleum, copper, fats, etc.

"In addition she has the advantage of having a continental economy. Her degree of self-sufficiency in most key materials, when one includes supplies from her southeastern neighbors and the occupied countries, is very high.

"Britain, on the other hand, is an island economy. She is less well stocked up with raw materials. Britain must maintain her life-line of supplies from overseas. If she were effectively blockaded she would starve much sooner than would Germany under blockade conditions.

"This provides the reasons why Germany has carried on the war as she has. She cannot afford any expensive warfare on land or sea that would drain off her supplies. Instead, she concentrates on efforts to cut England off from supplies by submarines, mines and air attack. And as neutral vessels in the North Atlantic and the North Sea can land at British ports but cannot reach German ports, she sinks every ship she sees, whether British, French or neutral

"Of course Germany can only win what are the equivalent of minor military engagements by this process. She would have to cut Britain off completely in order to win by such methods.

"That is the situation at the moment. Germany is well entrenched with key materials and unable to draw further supplies from overseas. Britain is less well supplied but is able to bring in materials from the outside world.

"What will be the situation in six months?" It should be vastly different.

"Germany will gradually use up her accumulated reserves. Of some materials she may be short in three months; of others in six months or in nine months.

"If in meantime, Great Britain and to a lesser degree France (which has a larger degree of self-sufficiency than Britain), build up their stocks of raw materials and foodstuffs, as well as of munitions of war, the Allied position will be very much the stronger. Within a year, Britain's economic strength should be so overwhelmingly greater than that of Germany that in both the psychological and the practical sphere the result would be devastating to Hitler.

"This is the situation as I see it now. I reserve the right to modify my views in the spring when one has had a better opportunity to size up Britain's ability to increase her stocks of materials and to study the effect of unforeseen developments that may occur in the meantime.

"But to me the important thing is that Britain has reserve strength and Germany has none. And remember that when one speaks of reserve strength, one speaks of more than ability to increase supplies. One speaks also of the ability to reduce consumption. Germany has for several years been on a war basis. She has anticipated wartime restrictions on consumption. There is very little more that she can do toward putting her people on short rations. They are on shorter rations already than any people should be on, if they are to work for the long hours now prevalent in Germany.

"Britain, on the other hand, has imposed only the most modest restrictions on the consumption of her people. They can economize on shipping and save much money by tightening their belts; if only a fraction of the amount that the Germans have already had to tighten their belts.

"The German High Command and even the Nazi economists realize these facts. The German authorities know the economic position of their country as intimately as a business man knows his balance sheet. They know that it is only a question of time until they must

(Continued on page 13)

The War Will be Long —

Distinguished International Financial Authority Writes of the Germany He Has Known For Many Years

Some 26 years ago the Political Economy Club held one of its periodic meetings in London. This institution, which must be more than 100 years old, is an informal association of merchant bankers, civil servants, economists and financial writers and editors. Needless to say, a psychologist would put its average I.Q. distinctly high.

On this particular occasion, the question was raised: If the war we have been dreading were to break out in 1914, how long would it last?

The consensus was (supported chiefly, I believe, by the bankers) decided that such a war could not last for more than about six weeks. By that time both sides would probably have experienced a financial breakdown, it was agreed.

Soon after this meeting, a misguided and otherwise quite unimportant youth shot an Austrian Archduke in Sarajevo. Four weeks later the contingency was translated into the grim fact which the Political Economy Club had contemplated over the wine glasses.

But something went wrong with the timetable. The prophesied "ending in six weeks" did not occur. The subsequent hope for "Peace by Christmas" was also destined to be disappointed. The struggle continued for four years and 15 weeks—until at last, outclassed on the field of battle and denuded of war materials and food on the home front, Germany surrendered virtually without conditions.

There was indeed a financial breakdown; but it was deferred for a number of years—to darken our days in 1923 and 1931.

Hopes Renewed

Somewhat similar expectations to those of 1914 (expectations, that is, of a brief, conclusive war) have been, and are evidently still held in 1939. Nor is it difficult to quote strong authority for the belief that this new venture on the field of Armageddon is unlikely to last long. As recently as Nov. 5, this year, no less a statesman than Dr. Edward Benes was quoted (in the London Sunday Times) as stating that "the war may be over in a year."

There is, I suppose, no reader of The Financial Post who does not with all his heart hope that Dr. Benes may be right. But our hopes are conditioned by the no less general assumption on our part, that the war will end with an Allied victory. (Indeed, no small part of the British Empire's strength consists in this: That none of the British peoples even contemplates a peace which would leave Hitlerism still dominant in Europe.)

Probably most people whose thinking accords with that of Dr. Benes base their expectations of a short war on the belief that, not far hence, there will be revolution in Germany. For the present stalemate on the Maginot-Siegfried line gives us no prospect of an early decision on the battlefield.

Moreover, blockade (a long-range weapon in the last war) is a long-range weapon still. In time, it will strangle a country, dependent for essentials on importation from abroad. But its effects, while becoming progressively more deadly, take time to show themselves.

Effect of Blockade

Without possessing special knowledge as to Germany's present and prospective supplies of food, fuel and munitions, I personally should be somewhat surprised if the blockade were to become a factor of crucial importance before 1941. For one thing, the "quiet" on the western front during the past three months has been, for both sides, an opportunity to conserve war stocks—including under this head, food and clothing as well as shells and gasoline.

It becomes necessary, therefore, to look at the possibilities of revolution in Germany, bearing in mind that none of us knows more than a very little about political conditions in that country.

Few people anywhere regard the Nazi regime as permanent. To men like ourselves, whose political institutions have already weathered the storms of many centuries, Hitler's boast on gaining office in 1933, that the Nazis were in power "for a thousand years" had a flavor of the ridiculous. In that sense it may be said truly that most of us expect a revolution in Germany—some time. But we need not canvass now the prospect of an ultimate revolution. The question that really concerns us is: What are the chances of a revolution while the war is still young?

We should, indeed, limit the question more than this; for it is necessary to define the kind of revolution that we look for. In Germany there are still both reactionaries and extremists. Thus, if a revolution were to come, it might come from the Right or from the Left.

Revolution From the Left

Revolution from the Left would automatically "bolshevize" Germany—so delivering up to that sinister camorra, the Third International, all the vast tracts of Europe and Asia from Hamburg to Peking.

Such a revolution would solve no problems. It is perhaps the most depressing of the possibilities confronting us. But in a realistic estimate of our position, we must take account of it.

What would happen if it did occur? Here one can only take refuge in the language of parable. The Reich, a "house swept and garnished," would then in a quite literal sense become the habitation of devils. Before the nervous eyes of the democracies the curtain would then rise on the Third act of The Twilight of the Gods—the dramatic breakdown of civilization which has occupied most of the twentieth century thus far.

When, therefore, we discuss the prospect of a quick ending to the war by means of revolution in Germany, we cannot include among constructive possibilities the risk of revolution from the Left. We hope that such a thing will never happen. The position is clear: Only revolution from the Right could so terminate the war, that dread need no longer haunt the democratic countries of the West.

Revolt From the Right

That there are lots of Rightists left in Germany, we need not doubt. Drenched as that country has been by propaganda during the past seven years (and kept in blinkers by the press censorship of Dr. Goebbels), it must still contain many who pay lip-service only to the current Nazi doctrines.

The marriage between Hitlerism and Bolshevism which was concluded last summer—with such indecent haste that it positively shrieked innuendoes—must have deepened greatly the fears of all conservatively-minded Germans. They know that the future, both of their children and the Fatherland, must be decided within the next few years.

Under the stress of a tightening blockade, and growing disbelief in Hitler's power to gain peace for them, and of a horrified revulsion at the suspicion that Germany may presently find herself under Stalin's heel, the great mass of conservatively-minded Germans might unanimously launch a revolution from the Right. But what could they do?

Technique of Uprising

Till well within our time, revolutions were hit-and-miss affairs. Widespread discontent was of course essential, before an outbreak could have any prospect of success. But small events, in fact, provoked them as a rule; and other small events decided their success or failure.

Not so today. With the growth of technical knowledge generally, there has been established (and written up and very closely studied) a standard technique of revolution. If any one of us wants to start a revolution (and seriously hopes for its success) he must first learn the technique of the business. Secondly, he must find out in advance whether the conditions are present for its successful application—just as (if wise) he learns the technique of investment before starting "to play the market."

A recent visitor to Canada, Dr. Nicholas Doman of Hungary (with a first-hand knowledge of revolution such as no Canadian possesses), has recently stated his own belief: "I hold the theory that in our age there cannot be successful revolution, unless the revolutionaries have with them at least a part of the army. A people completely against their ruler, without arms and officers, cannot successfully revolt."

All of the bombs and machine-guns, the tanks and the flame-throwers in Germany, belong either to the soldiers or the police. Whether, in a show-down between these elements, the soldiers would be masters or the police, we do not know.

The thought of a Rightist revolution, neither made nor connived at by the German army, may surely be dismissed, in any case, as a pipe-dream.

Position of Soldiers

Now soldiering is an honorable profession among the Germans, and has a certain hereditary character.

The professional soldier is as a rule, moreover, the finest kind of patriot. He carries in his heart a sort of mystical devotion to the Reich, which has nothing to do with his opinion of the Government in power at any given time.

He guards the Reich. So long as the Government of the day makes such provision for defence as he considers requisite, he takes little interest or none in domestic politics, and refrains from attempting to mold them.

Here and there, perhaps, a "political general" may be found. Nevertheless, this is a true picture of the German officer class as a whole.

Now this kind of patriot might indeed, under certain circumstances, feel it his duty to bring about a revolution. We can imagine this war producing in him such a disposition. But (unless the habit of wishful thinking has completely mastered us) we must squarely face the question: What conditions would such a man be likely to regard as essential, before consenting to plot a coup d'état?

While hesitating to be dogmatic, I suggest the following:

1. That a prolonged war could only spell ruin for Germany.

2. That a revolution, involving almost certainly quite an extensive blood purge,

(Continued on page 13)

"It is imperative that waste of every kind be eliminated, and economies discovered and enforced." —C. H. CARLISLE

Sixty-Ninth Shareholders' Meeting

THE DOMINION BANK

"The Canadian people will, we may be sure, bear the war burden without complaint. It is the price we pay so that we may continue to be free people and live in a free country."

"By now giving heed to our post-war problems, we should be in a position to attract capital and a high grade of immigration."

Important progress in commercial loans reported: also higher deposits and total assets. "The Bank's position is financially sound."

The sixty-ninth Annual Meeting of The Dominion Bank was held in Toronto on Wednesday, the 13th of December, when the President and the General Manager addressed the shareholders. The President, Mr. C. H. Carlisle, was in the chair.

Address by
MR. ROBERT RAE,
General Manager

At the last Annual Meeting of the Shareholders, and subsequent meeting of the Directors, the close of the Bank's fiscal year was changed from December 31st to the end of October in each year, and as a result, the Statement presented to you to-day covers ten months instead of twelve.

As you have just heard, the profits for the period under review were $802,296.80, compared with $960,121.31 for the previous twelve months. After paying the dividends — at the rate of 10% per annum—contributing $62,500. to the Officers' Pension Fund, providing $264,235.84 for Dominion and Provincial Government taxation, and writing $125,000. off Bank Premises, the balance remaining at credit of Profit and Loss Account was increased by $31,463.47 and now stands at $837,400.71.

Dealing with the principal items of the Balance Sheet, a copy of which is in your hands:

Notes in Circulation: Notes of the Bank in Circulation were $5,322,171., an increase of $61,682.

DEPOSITS AGAIN INCREASE

Deposits: Deposits by the Public not bearing interest, $37,978,683., those bearing interest $85,335,930., or a total of $123,314,613., compares with $120,703,163. on December 31st, 1938, an increase of $2,611,450. Dominion and Provincial Government Deposits total $13,587,383., an increase of $11,954,310. over those of a year ago. This is chiefly due to the special Government financing arranged in October last, the relative funds not having been withdrawn.

Letters of Credit: Acceptances and Letters of Credit Outstanding were $2,856,128., approximately the same as a year ago.

LIQUID POSITION STRONG

Cash Assets: The Cash assets of the Bank totalled $27,496,535., and were equivalent to 18.86% of the public liabilities. Readily realizable assets, which include Government, Municipal and other Bonds, as well as Call and Short Loans, amounted to $94,177,925., or 64.6% of the liabilities to the public and indicate a very high ratio of liquidity.

Securities: The Bank's total investments in securities amounted to $60,649,317., compared with $55,424,072. at the end of last year, and consist principally of Dominion and Provincial Government issues, about $19,000,000. of which will mature within two years. Our portfolio has been very carefully selected and the securities are entered on the Statement at prices below those prevailing on the 31st of October last.

Call and Short Loans: Call and Short Loans in Canada totalled $3,360,429., a decrease of $1,924,076. These are loans against readily marketable stocks and bonds, for which financing the demand has not been so active.

Call and Short Loans Elsewhere than in Canada totalled $2,398,947., and show an unimportant decrease of $90,786. These are day-to-day loans at our New York Agency and London, England, Branch, against first-class securities, with ample margin.

SUBSTANTIAL INCREASE IN COMMERCIAL LOANS

Commercial and Municipal Loans: It is gratifying to report a substantial increase in the total of Current Loans and Discounts in Canada, now $58,396,413., up $11,276,618. from December 31st last. This is a very satisfactory feature of the Statement and is due to the greater amount of money required to finance the grain crop and also to an increase in the demand for general commercial loans.

Loans to Cities, Municpalities, etc., $1,635,966., show a small decrease from those of a year ago.

Non-Current Loans, $191,751., are down $70,042. during the period under review. As has been our policy in the past, all probable losses have been fully provided for.

Bank Premises: Bank Premises Account stands at $5,569,000. No new buildings were erected during the year, nor was any land purchased. Alterations were made, however, to several of our offices, including that at Guelph. The main office in Toronto was modernized and now presents a more attractive appearance.

Branches: During the year we opened a new Branch at Porcupine, Ont., and closed our office at Larder Lake, Ont.

WAR EFFORTS

Staff: With regard to our Staff—which now numbers 1,289—it is a great pleasure to again acknowledge their loyalty and efficiency, which is amply evidenced in the Statement presented to-day. Already 20 members of the Staff have been granted indefinite leave of absence for Military service. Our best wishes go with them and we hope it will soon be possible for them to return to their positions in the Bank.

In conclusion, I wish to say that The Dominion Bank is in a sound position, and fully prepared to take its place in financing the business and war efforts of this country.

Address by
MR. C. H. CARLISLE,
President

Heretofore the Bank's fiscal year closed as of December 31st. This date has been changed to October 31st. Therefore, the present statement is for a period of ten months. It is difficult to make an accurate comparison with a similar period of a year ago, but comparisons may be made with the last annual statement which should give you adequate information of the Bank's operations for the period just reviewed by your General Manager.

GREATEST PROGRESS IN RECENT YEARS

When submitting last year's statement, I called your attention to the progress your Bank had made compared with the preceding year. The statement under review shows that even greater progress has been made than in any similar period in recent years. The Bank's position is financially sound. It has increased its activities in practically all of its operations. It has secured many new accounts, some of which are quite large. Credit losses have been unusually low—all of which reflects a higher efficiency in the Bank's personnel.

The general conditions in Canada, and Canada's relation to other countries, are large factors in determining the operations of your Bank.

WAR THE PRICE OF FREEDOM

Finding ourselves at war changes the ordinary tenor of our way. Our youths are being trained for war and will be sent overseas. Their absence, temporarily or permanently, is a great loss. We must provide equipment, munitions, transportation and training—all of these require large sums of money, further augmenting an already large national debt. The burden is and will continue to be onerous, not only for our Governments but for all citizens. The Canadian people will, we may be sure, bear this burden without complaint. It is the price we pay so that we may continue to be free people and live in a free country. When we compare our freedom and our standards of living with those who are enslaved by dictatorial governments such as prevail in Germany and Russia, the price will not be considered unreasonable.

CANADA'S RESOURCES

We have cause to be shocked when we realize the magnitude of our present debt and visualize the amount of the debt at the close of this war. Some may lose courage thinking all is lost. There is no doubt that our lot, and that of those for the next two or three generations, will be very difficult. However, Canada will still remain, will still be great and grow greater, and will continue to be a free country for free people. Canada to-day, with her varied and abundant crops, her large meat supplies, her forests and her mines, her huge area of productive lands, her transportation facilities—both lake and rail—her public service and educational institutions, the high intellectual and moral quality of her people, is in possession of advantages which give us courage to carry on and to visualize a brighter future.

We have another asset which we must not overlook or fail to appraise—that is Canadian labor. Canadian labor is to be congratulated for the soundness of its principles, its efficiency in production, in the part it has played and is playing in the up-building of our country. A better understanding may be had when we make comparisons with other countries where strikes are called without just cause, where plants are forced into idleness, throwing thousands of people out of employment, causing losses of millions of dollars to both employer and employee, where property rights are violated and men are deprived of the right to work.

DEMOCRATIC PRINCIPLES

Regimentation by government, or otherwise, has been tried and has failed, and will continue to fail wherever attempted. It is a means of undermining democratic governments and democratic principles. If permitted, it will enslave industry and labor as it has enslaved them in Germany and Russia.

A happy condition can only exist, and public confidence can only be secured, when the business executive, the laborer and the farmer continually and unitedly strive to improve products, to lower costs, to price products so that the consumer may enjoy and have the things which are his right. Both labor and management should constantly keep in mind that the consumer determines the number of people employed.

WAR AND POST-WAR CONDITIONS

There is another matter which should be kept carefully and continuously in mind through these months, and perhaps years, of war. During war, unusual activity prevails; prices usually advance; the volume of business increases; employment conditions improve, and along with all this, profits are likely to be better. What has to be kept in mind, however, is the certainty that at some time—and we hope soon—the war will end. When that time comes, demand for money will diminish; prices will fall to lower levels; inventories will swiftly go down in value, and heavy losses will be absolutely inevitable. Managements will have to have regard to the certainty of this result in the disposition of such profits as may be available during the period of rising activity and earnings, to study well every transaction, and to plan well the things to be done in the interim. We were not prepared for war when war came. This was unfortunate. It would be very unfortunate if we were not prepared for post-war conditions when they come.

In these days, when Governments find it necessary to apply restrictions and are drawing on every resource, when ownership of property is being controlled almost to the point of challenging the existence of individual ownership and, therefore, in effect, the existence of democracy, it is in imperative measure a necessity that waste of every kind be eliminated, and economies discovered and enforced.

EXCESSIVE COST OF GOVERNMENT

Our Constitution, it appears, is to be amended. If so, provision should be made for fewer Members of the House of Commons, fewer Members of the Senate and fewer Members of our Legislatures. Municipal Governments also should be diminished in numbers and personnel. Small committees and small Legislatures are much more efficient than large and expensive organizations. Overlapping and duplication between the Dominion Government and Provincial Governments simply must be eliminated, if Canada is to remain solvent and remain free. Upon these things the workers of our country and the taxpayers of our country have a right to insist, and their insistence must now rise to the stature of a demand.

If our Governmental authorities give evidence of a willingness to meet imperative necessities along the lines indicated herein and along other lines, the people of this country will throw themselves with ever greater courage and enthusiasm into the immense task which lies ahead.

EXTENDED PRODUCTION AND TRADE TO MEET WAR COSTS

Our first duty is the speedy and efficient prosecution of the war. No doubt many restrictions are necessary, and business must adjust itself to these restrictions. It is important that they be as few as possible and bear as lightly as possible, because the extension of production and the extension of trade are hampered by restrictions, and it is only on the extension of production and the extension of trade that we can hope to provide for our tremendous financial burdens and maintain our standard of living. The success of our future will depend much on how we conduct the present, and while fighting dictatorships we must prove to all peoples that Canada at all times uses democratic principles in her own affairs. By now giving heed to our post-war problems, we should be in a position to attract capital and a high grade of immigration that will carry on successfully the development and expansion which our country requires.

This is no time to be super-critical, but this is a time to be super-industrious and super-efficient.

I move the adoption of the Report.

THE DOMINION BANK

Sixty-ninth Annual Statement

Balance of Profit and Loss Account, 31st December, 1938		$ 805,937 24
The Profits for the ten months ended 31st October, 1939, after making appropriations to contingency accounts, out of which accounts full provision for bad and doubtful debts has been made, and after deducting Dominion and Provincial Government Taxes of $264,235.84, amounted to		802,296 80
		$ 1,608,234 04
Dividends for ten months at ten per cent. per annum	$ 583,333 33	
Contribution to Officers' Pension Fund	62,500 00	
Written off Bank Premises	125,000 00	
		770,833 33
Balance of Profit and Loss Account carried forward		$ 837,400 71

GENERAL STATEMENT
31st October, 1939
LIABILITIES

Capital paid up			$ 7,000,000 00
Reserve Fund		$ 7,000,000 00	
Balance of profits as per Profit and Loss Account		837,400 71	
Dividend No. 228, payable 1st November, 1939		175,000 00	
Former Dividends unclaimed		1,062 90	
			8,013,463 61
Total Liabilities to the Shareholders			$ 15,013,463 61
Notes of the Bank in circulation		$ 5,322,171 50	
Deposits by and balances due to Dominion Government	$ 10,653,340 34		
Deposits by and balances due to Provincial Governments	2,934,043 13		
Deposits by the public not bearing interest	37,978,683 71		
Deposits by the public bearing interest, including interest accrued to date of statement	85,335,930 11		
		136,901,997 29	
Deposits by and balances due to other Chartered Banks in Canada		2,404,541 35	
Deposits by and balances due to Banks and Banking Correspondents in the United Kingdom and foreign countries		634,559 53	
Liabilities to the public not included under the foregoing heads		506,244 17	
			145,769,513 84
Acceptances and Letters of Credit outstanding			2,856,128 37
			$163,639,105 82

ASSETS

Gold held in Canada	$ 699 87		
Subsidiary coin held in Canada	211,395 64		
Subsidiary coin held elsewhere	398 73		
		$ 212,494 24	
Notes of Bank of Canada	$ 2,843,114 00		
Deposits with Bank of Canada	13,388,790 98		
		16,231,904 98	
Notes of other Chartered Banks		431,020 00	
Government and Bank notes other than Canadian		140,295 70	
Cheques on other Banks		6,755,205 91	
Due by Banks and Banking Correspondents elsewhere than in Canada		3,725,614 64	
		$ 27,496,535 47	
Dominion and Provincial Government direct and guaranteed Securities, maturing within two years, not exceeding market value		19,203,874 54	
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value		35,045,733 24	
Canadian Municipal Securities, not exceeding market value		3,638,046 24	
Other Bonds, Debentures and Stocks, not exceeding market value		2,761,663 14	
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover		3,360,429 92	
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover		2,398,947 89	
Deposit with the Minister of Finance for the security of note circulation		272,695 00	
			$ 94,177,925 44
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for		$ 58,396,413 37	
Loans to Cities, Towns, Municipalities and School Districts		1,635,966 11	
Current Loans and Discounts elsewhere than in Canada, not otherwise included, estimated loss provided for		493,407 23	
Non-current Loans, estimated loss provided for		191,751 22	
Bank Premises, at not more than cost, less amounts written off		5,569,000 00	
Real Estate other than Bank Premises		67,307 57	
Mortgages on Real Estate sold by the Bank		54,159 26	
Other Assets not included under the foregoing heads		197,047 25	
			66,605,052 01
Liabilities of Customers under Acceptances and Letters of Credit, as per contra			2,856,128 37
			$163,639,105 82

C. H. CARLISLE, *President*   ROBERT RAE, *General Manager.*

AUDITORS' REPORT TO SHAREHOLDERS

We Report to the Shareholders of The Dominion Bank:—

That we have examined the above Balance Sheet as at 31st October, 1939, and compared it with the books at Head Office and with the certified returns from the branches. We have examined the cash, and the securities representing the Bank's investments, held at the Head Office and certain of the larger branches as at 31st October, 1939, and in addition we examined the cash and the securities held at certain of the important branches during the year. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Balance Sheet discloses the true condition of the Bank and is as shown by the books of the Bank.

A. B. SHEPHERD, F.C.A.,
of Peat, Marwick, Mitchell & Co.
D. McK. McCLELLAND, F.C.A.
of Price, Waterhouse & Co.

TORONTO, 20th NOVEMBER, 1939.

Nan.-Duncan Offers Rights

Proceeds of Stock Issue To Be Used to Liquidate $125,000 Bank Loan

From Our Own Correspondent

MONTREAL. — Common shareholders of Nanaimo-Duncan Utilities are being offered the right to subscribe for an additional 25,000 common shares on the basis of one new share for each two shares held. Subscription price is $5.50 a share. The offer expires on Dec. 25. The required increase in capital was approved by shareholders on Dec. 11, 1939.

Any shares not taken up by shareholders have been underwritten by Pemberton & Son, Vancouver, and W. C. Pitfield & Co.

Proceeds of the issue are to be used to pay off a bank loan of $125,000 which was incurred to finance construction of a 60,000-volt transmission line from Nanaimo to Duncan. Liquidation of the loan is considered advisable by directors in order to facilitate financing of an addition to the company's plant. The issue will net the company $129,125.

Cub Aircraft To Raise Stock

Meeting Dec. 15 to Vote on Capital Changes — Can Expand Output

Shareholders of Cub Aircraft Corp. are meeting in Hamilton Dec. 15, 1939, to consider a by-law authorizing an increase in capitalization from 80,000 common shares to 500,000 shares. R. L. Gibson, president, states that especially since the declaration of war, it has become apparent that to compete successfully for aircraft business, increase in the company's capital to build and equip a larger aircraft factory is necessary.

In Sept., 1939, the company had 16 airplanes available, finished and in production. Mr. Gibson states that the company can arrange delivery of five planes per week within 60 days and this could be increased to 10.

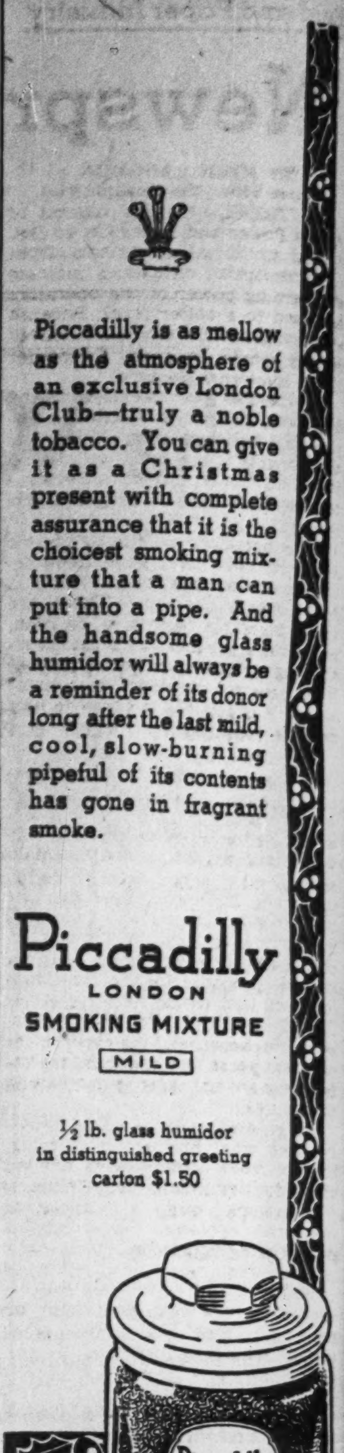
The Montreal Curb Market has advised that 1,500 shares have been issued to net the company $3.12½ per share, under the agreement with Hansell & Co., which later nominated J. R. Mooney & Co. and Angus & Co. to take delivery of shares and complete the sale. Outstanding capital is now 73,007 shares.

Shawinigan Power Stock Added to List

From Our Own Correspondent

MONTREAL. — Montreal Stock Exchange has approved for listing 234,872 additional shares of Shawinigan Water & Power Co., to be called for trading on official notice of issuance.

These shares form part of 240,000 shares authorized for issue against conversion of the company's $6,000,000 3½% seven-year collateral trust notes. These notes were issued toward the end of last month and are convertible into common stock up to Nov. 15, 1943.


Piccadilly is as mellow as the atmosphere of an exclusive London Club—truly a noble tobacco. You can give it as a Christmas present with complete assurance that it is the choicest smoking mixture that a man can put into a pipe. And the handsome glass humidor will always be a reminder of its donor long after the last mild, cool, slow-burning pipeful of its contents has gone in fragrant smoke.

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New Books . . . .

Ecstasies Over Unions

WHAT IS COLLECTIVE BARGAINING? By Mollie Ray Carroll. Published by Longmans, Green and Co., Toronto. Price $2.

This is an argument for collective bargaining which the author presents in somewhat idealized form. She is making as strong a case as she can for collective bargaining as a form of union-management co-operation. Interesting as a starting point for discussion, her study leaves unanswered the many questions that have arisen as a result of the violence of C.I.O. and other efforts to impose collective bargaining by force upon industry.

Russian Peasant Today

THE ECONOMICS OF SOVIET AGRICULTURE. By L. E. Hubbard. Published by the Macmillan Co. of Canada, Toronto. Price $4.

What happens to the peasant in a proletarian revolution? Does the farmer come off second best when the workers "rise" in revolt?

Mr. Hubbard's intensely interesting study suggests as much. Busy with the task of educating the factory laborer and in building demonstration industrial cities to impress foreign visitors, Russia has done little for her peasants. What she has done has raised the standard of living on the farms much less than it would have risen in the post-war years of economic enlightenment throughout the world, even if the Czars had remained in power.

Mr. Hubbard makes it clear that the Russian peasant has no greater freedom of movement and choice today than he had when he was little more than a serf. The net reward of farm labor is greatly inferior to that of factory labor although 70 per cent of all Russians live off the land.

Mr. Hubbard is well known as an authority on Soviet agriculture. He has lived for many years in Russia. His knowledge of the subject is superior to that of most, if not all other, English-speaking writers. His conclusion that the Russian peasant farmer is destined to become "an industrial land worker" is an interesting one. He does not attempt to say whether this is for good or ill. He leaves that to the reader to judge for himself. But his facts lead to the inescapable conclusion that the Russian experiment has done little but make a politically controlled slave of the Russian peasant without giving him anything in exchange beyond what the normal course of social advance in Russia would have given him without a Communist revolution.

ELECTED TO ADVISORY BOARD

Hew Patterson, director of Wise & Co., Victoria, B.C. has been elected a member of the Victoria advisory board of Canada Trust Co.

More Fairchild Notes Exchanged For Shares

From Our Own Correspondent

MONTREAL. — Montreal Curb market has called for trading an additional 400 common shares of Fairchild Aircraft.

Shares called for trading were issued in exchange for $2,000 principal amount of the company's 5% convertible notes. Common shares now outstanding total 127,200.

To date, 7,200 shares have been issued in exchange for $36,000 principal amount of convertible notes.

Newsprint Outlook Encouraging

Level of Present Earnings Improved — 1940 Prospects Mostly Favorable

By JOHN LANGDON
Eastern Editor, The Financial Post

MONTREAL.—Interim reports of Abitibi Power and Paper Co. to Oct. 31 and unofficial statements from other newsprint companies indicate that earning power of the operators has risen to a better level. Because of seasonal factors alone, November returns should be good. December is still somewhat doubtful.

For the full year earnings of the newsprint companies should be appreciably better than in 1938. It is questionable if revenues will be up to the 1937 mark, but since September they have been running at a better rate.

While operators are closing up this year with reasonably good financial returns, the outlook for next year is by no means clear-cut. There are many favorable factors to be seen, as well as a fair measure of unfavorable signs. Moreover certain situations have not developed to a point where it is possible to come to any definite conclusions.

Tied Up With War

The whole outlook for the newsprint industry is inevitably tied up with the war. If there was any certain basis for believing that the war would be a long one it would be possible to make many surmises as to the trend. But the newsprint industry, like every other major Canadian industry, is moving cautiously. It cannot afford to bank on a war. It must be prepared for the inevitable let-down that would follow a cessation of hostilities. For that reason, as well as because of the experiences of recent years, the newsprint manufacturers are not eager to overextend themselves.

The general tendency is to go slowly; take what business is offering, but not make commitments beyond those for immediate requirements. For example, quite a number of newsprint operators have surplus pulp-making equipment. They have received enquiries from prospective customers. But with one or two exceptions, the operators are not taking any pulp orders because of the additional costs involved in preparing pulp for a market which may only be short lived.

While the war situation has tended to put a brake on the industry, at least to the point where the industry is striving for stability rather than quick profits, a number of developments have taken place which will undoubtedly have a bearing on operations and earnings over the next year.

Strengthen Market Position

Newsprint manufacturers in this country have committed themselves to a price policy of $50 a ton New York delivery for the first half of 1940. In some quarters this is regarded as a "bearish," but in reality it is "bullish" factor. It might be argued that because of war conditions, rising costs, higher transportation charges, etc., Canadian operators would be entitled to raise the price of their product. There are many arguments in favor of such a policy. On the other hand, continuation of the present price strengthens the position of the Canadian mills in the American market, where in past years their relations have been far from good.

For the first quarter of 1940 there will be a price differential of $1 in favor of an important group of American newsprint mills, which have in recent years followed an independent price policy. During the following three months this differential will be eliminated, both American and Canadian mills selling on the same price basis.

Better Publisher Relations

This takes away one of the strongest points of attack by the American publishers against the Canadian mills. On the matter of quality, delivery, etc., the Canadian product is supreme and with the price differential out of the way, there should be a stronger tendency on the part of the American publisher to place business in Canada.

Scandinavians "Out"

The Scandinavian mills are still underselling the Canadian and the American product by several dollars a ton. Under peacetime conditions this was a factor to be considered in formulating sales policies. At present it is unimportant for the reason there is no assurance of regular deliveries. To the publisher this is important. He cannot afford to commit himself for his supplies without adequate assurance that the paper will be in his plant if, as and when needed.

The Canadian mills' selling policy in the United States is now a fundamentally strong one. The operators have demonstrated in a convincing way their declaration of a few months back that they would endeavor to seek a stabilized market and not profit by war conditions. This cannot help but improve relations with American publishers, who represent a market for almost 80% of the total Canadian output.

Benefit From Premium

It is not exactly accurate to say that the price has not been increased. As far as the publisher is concerned, he pays the same number of American dollars as he did before the war. But the Canadian operator receives 10% more in Canadian dollars, because of the discount on Canadian funds. Thus, in effect, he has received an increase of 10% in the selling price of his product since early last September. This has not been all "velvet" for the simple reason that costs have shown some increase. The manufacturer has had to pay a premium on supplies, such as sulphur, etc., purchased in the States, while shipping costs have advanced. Nevertheless, so far, a large percentage of the premium has been retained by the mills.

The Scandinavian Situation

The war already has effected a number of changes, favorable and unfavorable, to the Canadian mills. On the favorable side there is the lessening of competition from the Scandinavian mills in the American market. Of course, if the Northern European situation is cleared up, especially the trouble between Finland and Russia, those countries would be back in the American market shortly. However, for the immediate future the competitive powers of the Northern European countries have dwindled sharply.

Much has been said and written about the competition of Scandinavian newsprint, but broadly speaking, it is overemphasized as far as tonnage is concerned. Northern Europe ships a small amount of newsprint into the States compared with that received from Canada. Normally the States buys from 250,000 to 300,000 tons of Scandinavian paper; an amount which Canada could supply in a month.

Unless all three Scandinavian newsprint countries — Norway, Sweden and Finland—are involved in a war, this trade will be maintained. Probably not on the same basis as in the past year, but still of some proportions. As far as the Canadian mills are concerned, they cannot expect to gain very much in tonnage from any disruption in the present newsprint trade relations between the States and three Northern European countries.

Re-establishing Markets

On the other hand, the Canadian mills can expect and are benefitting from the disruption of European trade, through securing or re-establising markets in South America and elsewhere. When the Canadian mills raised the price of newsprint to South American publishers a few years ago, there was a very heavy switching of tonnage to Scandinavian mills. Returns for the last two months indicate that this market is coming back to Canada, influenced by the same conditions as in the States, namely the Scandinavian inability to guarantee deliveries.

It is possible to work out a very bullish statement of the additional business that is likely to accrue to Canadian mills due to inability of the Scandinavian mills to maintain their newsprint trade. Quite an impressive total might be reached; large enough to affect Canadian production by as much as 10%.

Bearish Factors Present

But Canadian mills do not stand to gain all and lose nothing because of this war. On balance, developments are in their favor up to the moment, but there are other factors which must be taken into consideration if anything like an accurate picture is to be obtained of the outlook over the next 12 months.

In the first place those countries at war and which are not in a position to meet their own newsprint requirements, are severely rationing themselves. Size of papers has been reduced; there is a close check on the amount of paper used; import restrictions have been established, while the rising cost of newsprint has automatically brought about a reduction in consumption.

May Lose U. K. Market

Probably the most notable example of this is the United Kingdom. Normally the U. K. cannot meet its own requirements of newsprint; she is heavily dependent upon Scandinavia, Newfoundland and Canada. With the rationing of paper, reduction in size of newspapers, exchange restrictions, etc., it is hoped to reduce paper imports so that the United Kingdom will be able to meet her own requirements.

If this plan is successful Canadian mills stand to lose a 200,000-ton annual market for newsprint paper. That is no small loss and to a very large extent would offset any increase in sales in the South American and other markets at the expense of the Scandinavian mills.

Australia, too, has taken the lead of England and imposed import restrictions. The Antipodes are wholly dependent upon imports to meet their newsprint requirements. They have not cut off newsprint imports, nor restricted them, from Canada. But with the rising cost of delivering paper to Australia and New Zealand it is almost a certainty that Canada's trade in that market will not expand and may even undergo a moderate contraction.

Must Consider War Factors

These are two outstanding cases. Further it must not be overlooked that other countries may voluntarily cut their imports if the cost of paper rises to a height which affects the ability of the importing publisher to maintain his services. There are many ways in which a publisher can economize on the use of paper and if shipping costs "go through the roof" then the importing countries will use less paper. A drop of only 5% in consumption of paper among the newsprint importing countries, would be felt by the Canadian industry.

Another factor bearing on export markets of the Canadian mills is the situation respecting the marketing of Newfoundland paper. Normally the Colony ships about one half of its output to the United Kingdom. For several weeks past it has not been shipping to that market. The English firm of Bowaters, for example, has turned its export business over to its associated company in Newfoundland. Newfoundland with its much smaller newsprint capacity expects and is to be expected to take its share of the rearrangement of markets.

On balance there is no especial reason for believing that the Canadian mills will secure any large increase in "overseas" trade next year. Certainly shipments to some markets will record a sharp gain. But whether the net change will be to increase or decrease shipments will depend upon developments in the United Kingdom, Australia and other markets where restrictions arising out of the war are expected to have an influence on the consumption of newsprint paper.

U. S. Market in 1940

This is the situation as far as "overseas" markets are concerned. Turning closer to home—the U. S. market—a different situation prevails. As previously mentioned nearly four out of every five tons of newsprint manufactured in Canada are consumed in the States. Any increase in consumption, no matter how small, has a direct bearing upon operations of the Canadian industry and, in turn, earnings.

It would seem from present indications, which may have to be enlarged upon or modified depending upon developments, that the United States may take as much as 3% to 4% more newsprint in 1940 than was the case this year.

To the end of last October apparent consumption of all publishers in the States was 2,908,273 tons. This contrasted with 2,820,548 tons for the same period of 1938.

For the 10 months there was an increase in consumption of 87,725 tons, all of which took place since April, a decline being recorded in the first quarter.

It would appear now that the total U. S. consumption for 1939 will be somewhere in the neighborhood of 3,600,000 tons, as against 3,422,269 tons in 1938 and 3,824,743 tons in 1937.

An increase of 4% would boost consumption in 1940 by nearly 150,000 tons, of which amount the Canadian mills could expect, under present circumstances, to receive at least two thirds.

Prospects for Next Year

If the overseas markets for 1940 holds around 500,000 tons (a moderate gain over the expected 1939 figures) and the United States consumption moves up 3% or 4%, Canadian mills will do moderately better than in 1939. For the first half of the year they will have a higher average selling price—$5 a ton in Canadian funds on shipments to the Canadian and Australian markets on the present rate of exchange. Part of this will be taken up in increased expenses, but most of it should accrue to the manufacturer. For the current year the premium did not come into force until after war was declared; or not until the end of the third quarter.

Another factor is the price policy for the last half of 1940. No one can say with certainty what will be done, but if costs show any material rise, it is to be expected that the consumer will have to absorb part of the difference.

As the situation stands, prospects of the newsprint industry next year are encouraging. There are too many uncertainties to allow of definite forecasts, but with war conditions prevailing, the operators should be able to report moderately higher earnings next year.

British Publishers Look for Domestic Paper Supply

From Our Own Correspondent

MONTREAL. — United Kingdom mills will be able to produce sufficient newsprint for that country's wartime requirements, according to report submitted to the Department of Trade and Commerce by G. R. Heasman, Canadian Trade Commissioner at London. Reduction in the size of British newspapers has considerably curtailed demands. If this forecast is borne out, it means that the Canadian mills will lose a market of approximately 200,000 tons a year.

On the other hand, demand for wrapping papers and board, especially of the better quality, may increase due to the war, notwithstanding any economies among the civilian population. Imports of bond, writing and specialty papers may be drastically curtailed.

Take Over Supply

The Trade Commissioner reports that the British Ministry of Supply has taken over all stocks of woodpulp at the actual cost of importation, and an average price for each class has been calculated. Efforts of the Control Board have been largely directed so far to keeping down prices of paper and paper making materials already in the United Kingdom, the latter being recently placed on the list of goods the importation of which is prohibited except under license.

Main objects of such a step will be to control exchange and to keep the United Kingdom factories working to capacity.

In the past the United Kingdom factories have not been able to meet the requirements of home consumption.

Paper Personnel

LOCKWOOD'S DIRECTORY OF THE PAPER AND ALLIED TRADES 1940 —1,247 pages. Published by Lockwood Trade Journal, 15 West 47th Street; New York. Price $7.50.

This is one of the most comprehensive directories of the pulp and paper trades in North America. It does not give particulars of mechanical equipment in such detail as may be found in other publications, but all the essential material is there. For anyone interested in the personnel of the industry, products and who manufactures them, waste paper users, pulp and paper dealers, converters, watermarks and brands, equipment, supplies and technical services, etc., this directory is invaluable. It gives a very wide and accurate survey of everyone and everything having to do with the industry. However, it should be pointed out that there are one or two omissions in the list of Canadian mills. The book is well indexed, but it would be more convenient if the index itself were moved up closer to the front and some method devised that would make for more distinction as between sections.

Crown Zellerbach Reports Better Income

From Our Own Correspondent

MONTREAL. — Crown Zellerbach Corp., of which Pacific Mills Ltd. at Ocean Falls is a Canadian subsidiary, reports net profit of $3,662,892, or $1.03 a share on the common stock outstanding. This was after a charge of $202,763 due to the revaluation of net current assets of Pacific Mills Ltd. to the equivalent United States dollar value at the current rate of exchange, and after providing in full for dividends on the preferred stock for the period. For the previous year a net profit of $2,338,608 or 44c a share was reported.

Rolland Paper Co. Earnings Increase

From Our Own Correspondent

MONTREAL.—Earnings of Rolland Paper Co. in the current year are above 1938 and operations of the company continue at capacity level.

Net profit this year may be better than in any recent year. In 1938 the company earned 62 cents a share on its common stock and 95 cents a share in 1937.

In recent months there has been a marked demand for the company's line of fine papers. Strengthening of prices has been another favorable factor.

C. I. P.'s Kipawa Mill Running to Capacity

From Our Own Correspondent

MONTREAL.—Since mid August the Kipawa mill of Canadian International Paper Co. has been operating at or near capacity. This mill has a rating of around 100,000 tons of rayon pulp annually.

M. & O. Court Hearing Ends

Court Will Decide on Acceptable Plan and Call Meetings for Vote

Hearing before Minneapolis courts on the reorganization plans for Minnesota & Ontario Paper Co. concluded on Dec. 9. Interested parties will still have until Jan. 2 to submit further pertinent suggestions in writing to the court.

After a further period of about two weeks the court will set a date for oral hearing. The Securities and Exchange Commission may be called on for a report as well.

It is not expected that the court will be able to give its judgment for a few weeks yet, largely on this account. When the court comes to a decision as to which of the three plans that are now officially before it is the best, or devises some acceptable compromise, it will probably order meetings of security holders and creditors called to vote on the final plan. At the meeting bondholders would be asked to vote for or against the approved plan and it is probable that minor amendments could be offered.

Indications are that an acceptable plan of reorganizations can be arranged and that the company will be solvent again before long.

Forecast Higher Earnings

A feature of the testimony heard before the court was the estimates of potential earnings in a "normal year" by R. H. M. Robinson, principal trustee. Mr. Robinson told the court that net earnings from the production of paper and Insulite products, including revenue from sale of power, after depreciation of $727,000 but before income taxes and interest on new bonds, would be $2.2 millions. This would be what he termed "normal" results, subject to variation in general business. On the basis of the amended trustees' plan, this would mean that bond interest would be earned 4.5 times, with a substantial balance left for the new common.

This figure indicates possibilities for earnings well above any recent year for this company. This year for the first time since receivership in 1931, Mr. Robinson stated that the company had adequate tonnage and full ability to satisfy contracts.

Three Plans

Three separate plans of reorganization were presented before Judge Norbye in the United States District Court at Minneapolis. These can be summarized as follows:

Trustees' Amended Plan:

(1) For each $1,000 of first mortgage bonds the holder would receive $500 in new 4% first mortgage income bonds, due 1960, and 30 shares of new common stock.

(2) For $1,000 of gold notes or unsecured claim, the holders would receive 30 shares of new common.

The cash adjustments would remain the same as under the original plan.

Bondholders' Protective Committee's Plan:

(1) For each $1,000 of first mortgage bonds, the holder would receive $500 of 5% first mortgage income bonds, due 1960, and 30 shares of new common.

(2) For each $1,000 of gold notes and unsecured claims, the holder would receive 11 shares of new common.

Long & Associates' Plan:

(1) For each $1,000 of first mortgage bonds, the holder would receive $600 of 4% cumulative first mortgage bonds, due 1960; $200 of second mortgage 3% convertible debentures and 18 shares of class "A" voting common stock.

(2) For each $1,000 of gold notes and unsecured claims, the holders would receive 6¼ shares of class "B" non-voting common stock.

It is understood that M. J. Long, sponsor of the third proposal outlined above, heads a group from Winnipeg. He has been interested in M. & O. for some time past.

The trustees have amended their original plan by raising the amount of new bonds to be given present bondholders from $400 per $1,000 to $500. At the same time the number of shares of common stock has been reduced from 40 shares as originally outlined, to 30 under the revised plan.

The bondholders' protective committee would raise the interest rate on the new bonds to 5% instead of 4% under the trustees' plan and would cut the number of shares of stock that would go to note holders and creditors to 11 shares for each $1,000 instead of 30.

War Closes Down Finnish Pulp Mills

From Our Own Correspondent

MONTREAL. — Practically all Finnish pulp mills, which ship about 250,000 tons of woodpulp to the United States annually, have been closed down as a result of the invasion of Finland by Soviet Russia, according to reports made the annual meeting of the Association of American Woodpulp Importers held in New York city last week.

Company Reports

Dryden Paper

Dryden Paper Co. for the year ended Sept. 30, 1939, reports a decline in operating profit, but inclusion of $29,735 of miscellaneous income, brings gross net earnings to practically the same level as the year before. Operating revenue of $168,593 compares with $200,064 the year before. Income from all sources of $200,331 compares with $203,956 in 1938. Net income totalled $97,251 which was written off to depreciation and depletion.

During the year the company reduced its funded debt from $1,301,500 to $1,234,000. The statement shows a new bank loan of $25,000, and since retired.

Income and Surplus Account
Years Ended Sept. 30

	1939	1938
	$	$
Operating profit	168,593	200,064
Invest. income	2,002	3,892
Misc. income	29,736	......
Total revenue	200,331	203,956
Less: Exec. salaries	24,800	24,820
Directors' fees	360	420
Bond interest	77,920	80,320
Depletion	7,383	15,315
Depreciation	89,863	84,512
Deficit for year	......	1,430
Previous surplus	......	1,430
Surplus forward	......	......

Working Capital

	1939	1938
	$	$
Current assets	571,810	508,840
Current liabilities	84,788	57,445
Working capital	487,022	451,395

Dryden Paper Reports Big Demand for Products

From Our Own Correspondent

MONTREAL.—Dryden Paper Co. reports that since Sept. 1 demand for wrapping paper and the company's other products has been at a point near the plant's capacity. At the same time the market price for surplus kraft pulp has materially increased.

A Long War

(Continued from page 11)

could be carried out instantaneously, without risk of miscarriage.

3. That such a revolution would commend itself at the time, and without debate, to the conscience of the German people.

4. That following such a revolution, the Governments of France and the British Empire could be trusted absolutely to make peace on terms communicated in advance, and no longer subject to modification in principle.

5. That the terms of peace which a new German Government could thus obtain, would ensure the continued greatness of, and a new freedom for, Germany. So that, a century hence, the conscience of the German people would still approve, and whole-heartedly, the making of a political revolution in war time.

To discuss these five conditions in detail would require a great deal more space than is available. But it may be said briefly that only the first (if indeed even that) is now present. In the current stage of siege warfare—with its light consumption of munitions and, I should expect, comparatively light consumption of food—the prospect of a prolonged war may still perhaps be regarded, by some among our enemies, with a certain amount of assurance.

Nor is there any reason to suppose that, yet, the four remaining conditions are present. Our leaders, coping for the first time with "la guerre totale," have scarcely had a chance to think out yet the complex problem of Europe's reconstruction. In other words, we may wait long for such a revolution, as would not bring a mere armistice but make an end of war.

These are my reasons for believing (despite my hope that Dr. Benes may be right) that we should gird ourselves against an ordeal perhaps no shorter than that which we faced in August, 1914.

A Middle View

(Continued from page 11)

lose the economic war. For it is primarily an economic war. I hope it remains such. An economic war is a much more humane and less bloody affair than the old-fashioned type of military war."

The authority in question, who by the way is not a resident or citizen of Germany but is a thoroughly well-informed student of German economics, speaks of it as a "long war." But by that he means a war that may be won in a year, so long as it remains the present war and not a new war between a different line-up of nations from those now engaged in it.

This authority's views on the possibility of a revolution in Germany are of interest. He said to The Financial Post:

"Talk of an early revolution is pure illusion. The German people are willing to obey the orders of Hitler and, to that extent, they may be regarded as a united nation.

"The revolution will become a possibility either when Germany suffers a major military defeat or when the tightening restrictions on consumption (as a result of the using up of present supplies of foodstuffs and materials) put such pressure on her people that social discontent becomes very widespread.

"That could happen, so far as one can now forsee, in six months or a year from now. But there is no chance of it in the immediate future."

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Bruck Silk Sales Gain

Up 30% in Value and 37% In Yardage — Inventory Position is Satisfactory

From Our Own Correspondent

MONTREAL.—Value of sales of Bruck Silk Mills in the year ended Oct. 31 last was $30.5% higher than in the previous year. The increase in value in the first 10 months as compared with the same period of the previous year was 28.75%. Results in September and October showed an upturn of 37.33% in value. The year's gain in yardage sales was 37%.

In a statement in the annual report, I. I. Bruck, president, points out the company has gained substantial benefit from the continued improvement in its fabric lines and broadening of its market outlets. Excellent results have been obtained in Empire market, according to Mr. Bruck.

Good Inventory Position

Inventory position of the company is satisfactory. In view of the unsettlement that prevailed prior to the outbreak of war the company built up its inventory position so that plant operations could be maintained without interruption.

The balance sheet shows an increase of slightly over 9% in the value of inventories. However, a breakdown of inventories reveals holdings of raw materials have increased almost 50% while goods in process and supplies are up 65%. On the other hand, inventories of undyed and dyed goods have been reduced 13.5% and 18% respectively.

In summing up the position of the company, Mr. Bruck states: "A high level of plant efficiency has been attained; the mill's products have been diversified highly promising export outlets have been developed; the company's inventory position in the face of prevailing conditions affords ample protection; the general price level is better stabilized; and the outlook for earnings, so far as can be foreseen at this time, is encouraging."

Financial statement is reviewed elsewhere in this issue.

Standard Chem. Improves Net

Sales and Earnings Higher For 6 Months With Outlook Favorable For Last Half

Standard Chemical Co. reports net earnings for the six months ended Sept. 30, 1939, before depreciation of $17,500 annually, of $4,849 as compared with a loss of $13,903 in the corresponding period of 1938. These results do not include the lumber department, the results of which are taken into the account at the end of the company's year.

Sales, including lumber, for the six months of this year were $641,841 against $572,949 in the same period last year.

Business has continued at a satisfactory rate since the end of September and the present outlook is that results for the year ending March 31, 1940, in the chemical division will be above last year.

In the lumber market, conditions have shown some improvement for exports to the United States but there has been a falling off in demand for construction purposes. War conditions have generally strengthened prices, with a corresponding increase in costs. The results for the year in the lumber division will, it is anticipated, equal those of the previous year.

Maritime Tel. & Tel. Traffic More Active

From Our Own Correspondent

MONTREAL. — Maritime Telegraph and Telephone Co. reports completed toll traffic for October totalled 5,143 calls greater than the corresponding month last year. In all the company handled 133,967 calls, as against 128,824 in Oct., 1938.

The Island Telephone Co., a subsidiary operating in Prince Edward Island, handled 15,640 calls in October, compared with 15,002 a year ago.

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Investing in Wartime

Claims Bonds Lack Attraction

Stocks Only Selected to Give Wartime Investor Protection

This week The Financial Post publishes another of the entries to which Honorable Mention awards were given in the recent contest on "Investing in Wartime." Like other articles to be published, the author is presenting his own views on investments and the portfolio included is not necessarily endorsed as the best available by either The Financial Post or the judges.

Brian N. Barrett, Toronto, describes himself as an "Investment Counsel," and is a director and investment adviser to a number of Canadian concerns.

By BRIAN N. BARRETT

At the outset our businessman is faced with the one undeniable fact that with World War Number Two well on its way the purchase of any security is a speculation. To place the entire fund in Dominion of Canada bonds would not ensure complete peace of mind. Not only is he compelled to buy when the return from this particular type of security is almost at a record low, but he would have no protection against inflation or the higher cost of living, definite indications of which are already in evidence.

An imposing array of learned economists may prove beyond a shadow of doubt that inflation is not just around the corner, offering as an adequate proof the controlled economy of Sweden or the miracle of Germany's goldless — if godless — achievements. Immediately an equally imposing array of economists will arise to convince our bewildered businessman that the reverse is the case. Fortunately he will rest content with his own hard-headed opinion that if any government continues to issue its paper promises to pay—either bearing or not bearing interest at the lowest rates per centum—in return for goods to be destroyed in the maelstrom of war—the end is only a matter of time and the degree in fairly direct relation to the duration of such war. He may even cynically observe that such issues are only a step farther along from similar ones already made for post offices judiciously timed, duplicate railroad terminals, railways and other votes in embryo.

Should he attempt to lift the curtain far enough to peer into the future as to what might happen if the Allies didn't win the war, or only win after many long years, he probably will be thoroughly convinced that where rust and moth do not corrupt is his only chance of an even break.

Must Be Stout-hearted

But our businessman is made of sterner stuff. After all, he must have seen enough in the last few years to make even a stout heart quail. He may not have lived when railroads were the shortest distance between two subsidies, but he has seen "To Churchill and the Sea," power contracts judged in the light of votes, not volts, and an expounder of Holy Writ impose an ideology on western province which from the viewpoint of invested capital is not too far removed from a Hitler or a Stalin.

Thus far he must be warned, however, that no sooner will the key be turned on the securities purchased on such sage counsel than his problem merely changes from selection to supervision. His very next issue of The Financial Post may carry the story of some unpredicted and unpredictable event which has already rendered less secure the future of one of those securities.

No Bonds

In the list submitted herewith will be found no bonds—on the theory that government issues offer the lowest yield for many years—that even sound bonds are no protection against inflation—and that heavy discount bonds with speculative appeal offer no immediate income. His life insurance is protected by government bonds to a large extent and, in the unfortunate event of his decease, his executors and beneficiaries may have the onus of deciding whether to continue in that form of investment. In the selection of stocks consideration has been given to:

(1) **Diversification** and type of industry. The industry must be essential and must have growth possibilities. Too much diversification entails added responsibility and care.

(2) **Marketability.** Changing conditions may create a demand for immediate cash—or necessitate a switch to other types of risk.

(3) **Participation** in increased earnings, either directly through common stock dividends or in the case of preferred shares through participation, conversion privileges, or payment of arrears.

(4) Some degree of hedge against inflation through the ownership of a natural resource necessity—as in the case of mines or oils.

(5) **High costs of labor.** An attempt has been made to protect his income against this risk by selecting industries where machinery plays a prominent part, as in Celanese and Distillers, or where labor does not enter too heavily into the prime cost, as in natural gas (Union Gas).

(6) **Management** — probably the most important intangible asset any company may possess. Every businessman hopes that in buying stocks he is buying good management and this factor has been given first consideration.

In the final analysis our businessman cannot wholly protect himself against inflation — against taxes, personal or corporation — against the outcome of the war or its duration. Neither can he protect himself at all against any great social upheaval arising out of a world bled white and prostrate after irreplaceable losses in manpower or material, with nothing created but colossal debt. But he must invest his money in the faith that the country out of which he has carved a successful career is the best place for his savings. He must believe his country is young enough and strong enough to carry him and them through the darker days ahead.

Consolidated Mining & Smelting

For over 30 years this company has paid dividends, but latterly bad judgment appears to have been made in both field operations and maintenance of working capital. A change in management has recently taken place and, while it is admitted that current price constitutes a very high entry fee, the investor is buying into the biggest base metal proposition in Canada. Lead and zinc, particularly lead, do not seem to be threatened with surplus production as is the case with copper. Smelters also has many interesting by-products which in the future may add considerably to income. Should inflation really take hold, Smelters' big-volume production makes it a reasonable hedge.

International Nickel

While this company will be prevented by the Excess War Profits Tax from making anything in the nature of a killing, its product is even more essential in peace than war. Its supply of ore is more than adequate even at present high capacity and its management is excellent. Although the price of nickel has been stabilized for years the stock still offers something of an inflation hedge. Dividends have been paid on the common stock since 1929, with the exception of the years 1932-33. While earnings have not been much in excess of dividends, the financial administration of the company is most conservative and sound.

International Petroleum

Our businessman might ask, "Why not Imperial Oil?" which operates entirely in Canada, and he may even raise his eyebrows because of South American politics. Imperial Oil obtains more than 70% of its income from its International Petroleum stock holdings and, while the political risk is always present in South American countries where International Petroleum operates, it cannot fairly be compared with that of Mexico. Incidentally it appears as though the Mexican situation will be eventually cleaned up in a manner reassuring to investors in Colombia, Peru and Venezuela.

Even in peacetime petroleum is an essential product. Mechanized warfare makes oil an absolute necessity for which a premium would willingly be paid. The company has paid dividends since 1929, every year in excess of earnings, but there is a large surplus. Last year the dividend was reduced, such money being used to build a pipe line in Venezuela, from which investment early returns are expected.

Noranda

Another high-priced stock in view of current dividends, but it gives our investor an interest in one of the best-managed mines in Canada, producing both gold and copper. The parent company controls, among others, Pamour, Waite-Amulet and Hallnor, all young mines with a very favorable indicated future. Noranda management is always actively on the lookout for new prospects, which gives the shareholder an interest in new mining ventures at far less risk than if he attempted to select them for himself. The company has paid dividends since 1930. While the margin of earnings over payments has been small, finances are in excellent shape.

Canadian Canners

In Canadian Canners 1st Pref. stock the investor has an opportunity of participating to a very limited extent in the earnings on the common stock. During the last war this company made big money and, should history repeat itself, the holder of the preferred stock has the privilege of converting into the common stock. The company has a long and favorable record of earnings and dividends on its preferred stock. It is an essential industry at all times.

Distillers Corporation—Seagrams

As a businessman our investor probably realizes that even with the toughest prospect "inhibitions are soluble in alcohol." The earnings on this preferred stock of $49.63 in 1937 and $44.32 in 1938 are unusual enough to warrant its inclusion in this portfolio irrespective of any prejudice against the type of business. There are no obligations other than bank loans senior to this issue which was brought out in October, 1936. The stock also holds long-distance participation feature in that it carries subscription rights to common stock. The annual sinking fund has reduced the outstanding stock to 164,100 shares. The 5% dividend is payable in New York funds, which also applies to the dividend on Fanny Farmer.

Fanny Farmer

This company offers growth possibilities under the same excellent management that was so successful in the development of Laura Secord. Earnings in 1939 should be around $2.60 against dividend payments of $1.50. Dividends have been paid since 1928 and the stock is legal investment for Canadian life insurance companies.

* * *

Apart from other considerations Distillers preferred and Fanny Farmer common are chosen because they give the investor an opportunity to participate in the American field. Both companies operate in the United States, which is Fanny Farmer's sole market and by far the greater market for Distillers-Seagrams products. Under normal conditions one would hardly suggest a list of securities which did not include some American stocks, but the present Foreign Exchange Control regulations preclude the possibility. Therefore the stock of a Canadian company operating in the United States has special appeal.

While 120 may appear a high price to pay for a 7% preferred, this particular stock is non-callable and participates with the common. This participation has been effective five times in the last five years. The industry offers growth possibilities either in wartime or peacetime. The preferred stock has nothing ahead of it and has paid dividends since 1930. Average earnings for the last six years over $14.50 per share.

Simpson's Limited

A well-managed department store and mail-order house, preferred stock currently paying $5, which payment has been covered the last three years. Current business good. Has possibilities of increase in dividend to nominal rate of 6½% and/or of receiving payment in some form of over $20 arrears. In the event of severe inflation the company probably would experience difficulty in replacing inventory. It is recommended for income and appreciation because of the organization's ability to stage a strong comeback.

Union Gas

While this common stock has its own and subsidiary bonds which rank ahead, its business of producing natural gas is of the public utility type least subject to higher operating costs as it is developed from a natural resource without heavy labor factor. The company has now excellent management and the cities which it serves should enjoy normal growth. Dividends have been paid on this stock since 1927 with the exception of the years 1932-34. While earnings are not impressive, the company is about to benefit from capital expenditure on distribution facilities.

No Bonds Here

Security	Shares	Price Oct. 24 $	Cost $	Div. $	Income $	Yld. %	Price Dec. 11 $
Consolidated Mining	100	51	5,100	1.00	100	1.96	47¾
*Inter. Nickel	100	50	5,000	2.00	200	4.00	45⅛
Inter. Petroleum	200	30	6,000	2.00	400	6.66	24⅜
Noranda	60	80	4,800	4.00	240	5.00	76⅛
Can. Canners, 1st Pref.	250	20	5,000	1.00	250	5.00	19¾
*Distillers-Seagrams, Pref. ..	50	88	4,400	5.00	250	5.66	90
*Fanny Farmer	200	24	4,800	1.50	300	6.25	25⅞
Can. Celanese, Pref.	40	120	4,800	7.00	280	5.83	125
Simpsons Ltd., Pref.	50	96	4,800	5.00	250	5.21	98½
*Union Gas	300	15	4,500	1.00	300	6.66	15¾
			49,200		2,570	5.22	

* These stocks are listed in New York as well as Canada.

Quotations in portfolio submitted Oct. 24, approximate current prices inserted in last column for purposes of comparison.

Finds Contest Of Great Value

That The Financial Post provided an unusually valuable service for investors in its recent contest on "Investing in Wartime" is the view of E. D. Schell, Alliston, Ont., who writes as follows:

"I feel I would be very ungrateful if I failed to tell you how much I appreciated your efforts in securing from capable financiers how they would invest $50,000 under wartime conditions. Their articles were much appreciated by the reading public, as well as the criticisms that followed them. I feel you have done great service to a multitude of people and there will be no way of telling how many people you have helped to put their investments in a better position to withstand the changes that will take place during the war period."

Can. Breweries Adds to Plant

About $415,000 to be Spent in Next Four Months On Plant and Equipment

Building and improvement programme of Canadian Breweries Ltd. units for the current year will cost an estimated $415,000, according to official information. Practically all breweries operated by the company will participate. Work will be largely done in the winter months, the inactive season for the brewing industry.

Largest single piece of work, and involving approximately one half of the total expenditure, will be done at the O'Keefe's plant in Toronto. Orders have been placed for the O'Keefe's Brewery covering three Diesel engines, totalling 450 h.p., to operate new electric power generating and refrigeration equipment. Cost of this will be around $50,000. An extension to the ale fermenting equipment to slightly more than double present capacity has necessitated added buildings as well. Total cost of the building additions and equipment will be around $140,000 to $150,000. Glazed tile will be used in finishing the building, which will contain both open and closed fermenting vessels, as well as air purifying and cooling system.

Other Units Share

An increase of 115,000 gallons of glass-lined beer storage tanks is being provided for the Carling-Kuntz plant at Waterloo. This will cost a little over $46,000.

At British American Brewery, Windsor, new filling and bottling equipment and air compressors will cost about $31,000. At Brading Breweries, Ottawa, a new bottle washer is being installed at a cost of about $10,000. Miscellaneous improvements at the Canada Bud plant in Toronto will cost about $9,000 and at the Cosgrave plant around $2,500.

The transportation department of Canadian Breweries will spend approximately $50,000 on new trucks to handle increased volume of business.

ADMITTED TO PARTNERSHIP

From Our Own Correspondent

MONTREAL.—W. L. S. O'Brien has been admitted to partnership in the Montreal Stock Exchange firm of O'Brien & Williams. Mr. O'Brien is the son of Col. W. P. O'Brien, senior partner in the firm.

HEADS UTILITY FIRMS

James Wilson, president of Shawinigan Water and Power Co., who has been elected president and director of United Securities Ltd. and of Canadian Light and Power Co.

United Securities Elects New Officers

From Our Own Correspondent

MONTREAL. — United Securities Ltd. announce that James Wilson was elected president and director to fill the vacancy created by the death of Mr. Julian C. Smith.

H. G. Budden was elected secretary-treasurer.

Shareholders Approve Twin City Incorporation

Shareholders of Twin City Rapid Transit Co. have voted to merge the New Jersey corporation into a new Minnesota chartered company.

This step will save the company from payment of duplicate franchise taxes in New Jersey as well as in Minnesota, according to D. J. Strouse, president. It will also enable the Minnesota company to save money which would have been paid to New Jersey and Jersey City in taxes on intangibles.

Mr. Strouse told shareholders at the special meeting that gross revenues of the company in the year to date are on a comparable level with last year. The company has been able to earn a net income, he reported.

Chainway Ltd. Profits Gain

Results for Year Will Be Substantially Improved President Reports

Chainway Stores Ltd. reports that sales showed a substantial increase in the third quarter ended Oct. 31. A gain of 31.6% is shown over the corresponding period in 1938. The fourth quarter, in which the largest volume of business and profits are reported, promises to be better than last year. November sales were up 45.8% over sales for the same month a year ago.

N. M. Davis, president, states that the company is working on plans to obtain a new warehouse to handle increased business. Mr. Davis states that the organization expect profits for the entire year will be substantially increased over those of the previous year. The company's financial position will be improved.

Consolidated Bakeries To Pay Extra Dividend

Consolidated Bakeries of Canada Ltd. has declared an extra dividend of 25 cents a share on the common stock, payable along with the regular quarterly dividend of 25 cents on Jan. 2, to shareholders of record Dec. 16. On Jan. 3 of the current year the company paid an extra of 15 cents in addition to the regular quarterly dividend of 25 cents.

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Collingwood's Plan Ready

Debenture Holders Would Receive New Issue With Interest Arrears in Full

Plan for readjustment of the debenture debt of Collingwood, Ont., has been sent to debenture holders. When holders of two thirds of the debenture debt approve the plan, it will be submitted to the Ontario Municipal Board for ratification. The plan was evolved by the town, Department of Municipal Affairs and the debenture holders' committee. Collingwood town council has approved the scheme.

Over 70% of the debenture debt of the town was undertaken to finance construction of a grain elevator, Collingwood Terminals Ltd. Debt of the town was secured by a first mortgage on the elevator company assets, payments of which coincided with payments on the town's debentures issued for elevator purposes. In 1937 Collingwood Terminals was unable to meet its mortgage payments to the town and as a result the town failed to meet principal and interest due Dec. 1, 1937, on debentures issued for this purpose. Subsequently the town was enabled by payments from the elevator company to pay principal and interest due Dec. 1, 1937 on the elevator issue. No further payments were made.

Maturities Extended

The plan provides that debentures matured prior to Dec. 1, 1939, are to be paid in cash, plus interest at 4½% from Dec. 1, 1939, to the date fixed for payment. Arrears of interest will be paid at contractual rates to maturity and 4½% thereafter.

Outstanding debentures are to be exchanged for the same principal amount of new debentures, allotted in order or present maturities. The new issue will be dated Dec. 1, 1939, and will mature up to 40 years. New debentures will be present interest rates to maturity and 4½% thereafter. Arrears of interest will be calculated at contract rate from date of last payment.

The new debentures are to be callable in whole or part on June 1 and Dec. 1 in any year at 60 days' notice, at par, plus accrued interest, in order of maturities.

All amounts received by the town from Collingwood Terminals, except $15,000 will be applied in calling new debentures for redemption.

New debentures exchangeable for outstanding debentures carrying the County of Simcoe guarantee will also bear the county guarantee.

Aluminum Power Co. Adds to Share Capital

From Our Own Correspondent

MONTREAL. — Aluminum Power Co., which took over the Alcoa Power Co. from the Aluminum Co. of America, has applied to the Quebec Provincial Electricity Board for permission to increase the authorized capital stock by 40,000 additional shares and to issue and sell these shares to the parent company, Aluminium Ltd.

There is no direct public interest in the Aluminum Power Co., nor is there any official explanation as to the reason for the increase in the issued capital stock.

THAYERS DIVIDEND

Thayers, Ltd., gasoline and oil distributors in Ontario, has declared a dividend of $3.50 a share on its preference stock, payable Jan. 1, 1940, to shareholders of record Dec. 15. A similar payment was made a year ago. After the Jan. 1 dividend, arrears on the preference will remain at $1 a share.

ZELLER'S LTD.

Memorandum descriptive of this Canadian company, operating in the variety-chain-store field, is available on request.

Ask for Analysis P34

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Your Investments

Mercury Mills

I would appreciate your comments on the Mercury Mills reorganization plan. What will the preference shareholders receive?

The proposed plan of reorganization of Mercury Mills Ltd. would give present 6% preference shareholders 3½ new no par common shares for each existing preference share. Preference shareholders would thereby receive 35,000 shares of the 79,550 common shares to be outstanding. Bondholders, holding 40,050 of the outstanding shares would assume control of the company. Common shareholders would get 4,500 common shares.

Arrears on preference stock, which will amount to $54 a share on Dec. 31, would be eliminated.

In the past nine years the preference has not been able to show earnings and deficit carried in the balance sheet had increased to more than $530,712 by the end of 1938, despite cessation of sinking fund payments on the funded debt and reduced depreciation allowances.

The preference has shown no earning power whatsoever for many years, and clearing up these arrears does not appear feasible unless the company receives a tremendous fillip from war conditions.

Interest requirements on the company's funded debt would be reduced by the plan and there would be a proportionate saving to accrue to the equity holders. In addition, $150,000 of new money would be brought into the business, without the necessity of creating a prior lien.

At Dec. 31, 1938, preferred shareholders had an equity of $137.63 in the company's assets. While the figure is of questionable value we mention it to indicate the book assets behind each class of security. For every $1,000 of bonds there was $2,031 of assets, while there was nothing behind the common shares, after taking into consideration arrears on the preference stock. The common shareholders will receive one new common share for 10 present common held.

H. G. Smith, former general manager, owns 25,089 of the 45,000 common shares outstanding. R. H. Hommel, president and general manager, has agreed to purchase these shares or equivalent in new stock for $12,500 if the scheme is made effective.

According to provision of the preference stock, rights of the preference can be modified only with the consent of 75% of par value of all preference shares outstanding.

Earnings of the company will have to show marked improvement before anything would be available for the new common shares. Since the depression years, there has been improvement in earnings, but if betterment did occur from this point, the company would in all probability consider it advisable to strengthen its financial position before distributing dividends to shareholders.

If and when these disbursements occurred, the bondholders, who would accept 30 new common shares for $400 principal amount of bonds, would receive slightly over 50% of the total common outstanding. Present preference shareholders would get 45% of the new common, and present common shareholders 5%.

To receive the equivalent of the dividend rate on the prefence of $6, it would be necessary for distributions of $1.71 a share to be made on the new common, of which each existing preference would get 3½ shares. It would be necessary to permit this disbursement for the company to show earnings available for distribution to common shareholders of $136,371 or more.

Net profit in 1928 amounted to $183,374, or $18.34 on the preference shares. In 1929, net profit was $126,872, or $12.68 on the preference.

Payment of a $1.71 dividend on the common would mean that bondholders would receive a return of slightly more than 8% on their present principal and common shareholders would receive 17 cents a share on the basis of existing stock.

Canadian Car

Has the money awarded the Canadian Car & Foundry Co. by the Mixed Claims Commission been paid to them yet and how much did they collect? How much dividends are in arrears on this stock to date? And on what date does it declare a dividend? Is there any probability of the next dividend being paid?

Canadian Car & Foundry Co. has not yet received the award made to it by the Mixed Claims Commission following the successful conclusion of its claims for damages arising out of the sabotage of the Kingsland plant during the last war. However, application has been made to the court for payment, but so far no action has been taken. On Oct. 15, 1939, Canadian Car was in arrears $7.37¾ a share. Under the by-laws of the company dividends are cumulative and payable January, April, July and October 10. There was no action taken on the quarterly dividend due last October and whether or not action is taken on the next payment would seem to depend very largely upon whether or not payment is made to the company in respect to its war claims.

Dom. Foundries

I would appreciate your comments on the financial set-up and current operations of Dominion Foundries and Steel Ltd.

Dominion Foundries and Steel Ltd. has $1.2 millions of 6% preferred stock and 311,604 shares of no par value common stock outstanding. It has no funded debt nor long-term obligations. The company has authority to offer shareholders rights to purchase additional common shares on the basis of one new share for each ten shares held but has not yet seen fit to act on this permission. Latest available balance sheet for the end of 1938, shows working capital of $1.8 millions with cash and Dominion of Canada bonds only slightly less than total current liabilities. At the moment this company is working on an addition to its plant which will cost approximately $500,000.

We understand that current operations are at a high rate and that earnings this year will compare favorably with 1938 when $3.60 a share was earned on the common stock. A factor of importance in this company's operations was its entry into the manufacture of tinplate and other light forms of steel. This has given the company a diversification which has been largely responsible for its continued improvement in earnings and general financial position in the past few years.

National Steel Car

As a subscriber of The Financial Post it would be appreciated if you would let me have your opinion on the National Steel Car Co.

National Steel Car is highly regarded as a semi-speculative security. The company is one of the three principal railway equipment manufacturing concerns in the Dominion and, in addition, has an extensive stake in the aircraft industry. It recently received a substantial order from the railways for equipment to be delivered next year and, moreover, has orders for aircraft and munitions. The company has shown a marked improvement in earning power in recent years. There are no bonds or preferred stock outstanding.

Bawlf Grain

I purchased some stock in the N. Bawlf Grain Co. at $3 a share and would like to know what you think of the prospects for this company. I am not dependent upon my investments for income.

While the record of the grain companies of late years has not been encouraging, N. Bawlf Grain Co. for the year ended July 31, 1939, showed net profits of $90,676 compared with a loss of $133,727 the year before. Earnings on the preferred stock were equal to 36c. a share as against dividend requirements of $6.50. This was the best showing made by the company since 1934. Though the outlook for the common cannot be considered as other than speculative, in view of the fact that you paid only a few dollars a share and there are prospects of a very heavy carryover of wheat this year, the chances are that the company should be able to report better earnings. In that case there might be a stronger market for the stock.

McColl Frontenac

Will you please let me have some information on the current position of McColl-Frontenac common and the prospects for its dividends?

Present prospects are that McColl-Frontenac Oil Co.'s financial statement for the year ended Jan. 31, 1940, will show an appreciable advance in earnings on the common stock compared with the 1939 year when 38c. a share was reported. From Feb. 1 to Sept. 30, 1939, earnings were equal to 64.8c. and the company intimates that earnings for the full year should exceed that figure. In view of this improvement in earnings, there is talk of the resumption of dividends on the common stock which, as you may recall, were discontinued in the fall of 1938.

Calgary Power

I would appreciate a report on the present position and outlook for Calgary Power Corp.

Calgary Power Co. is a well-managed concern which supplies power to Calgary and a number of other communities in Alberta and Saskatchewan. It also controls Ottawa Valley Power Co. which supplies power to the Hydro-Electric Power Commission of Ontario. The company has paid preferred dividends regularly, but no common dividend has been paid since 1935. Common dividends were suspended due to loss of investment income from Ottawa Valley Power Co. The latter was due to suspension of the Ottawa Valley Power contract with the Hydro-Electric Power Commission of Ontario. However, the contract dispute was settled in 1937 so that the earning power of Ottawa Valley Power has been re-established.

Indications are that Calgary Power should soon be in a position to resume common dividends. In 1938 the company earned $2.18 a share on its common stock as compared with $1.13 a share in 1937 and 80 cents a share in 1936. Earnings in the current year will be higher. The power load of the company in the current year has increased so that operating profit should be on a larger scale. In addition, the company is likely to receive a larger investment income from Ottawa Valley Power. There is a possibility that the company will take into its income in 1939 three half-year interest payments on its investment in Ottawa Valley Power debentures.

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IMPERIAL OIL LIMITED EVERYWHERE IN CANADA

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchange

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING DECEMBER 11

Range 1939 High	Low	Div R'te $	Dec 9 Y'ld %		Sales	Last Dec. 4	Week end. Dec. 11 H	L	Cl'se
				A					
3⅜	¾	.	...	Abitibi	15491	1⅞	2⅛	1⅞	2
21½	3½	.	...	Do. pref. 6%	9576	12⅝	14⅜	13	13½
36	4	.	...	Do. pref. 7%	25	27	30	30	30
6	2	.	...	Acme Glove	79	5	6	5	6
55	50	3.25	...	Do. pref.	10	50	55	55	55
11½	9½	60+20c	7.3	Agnew Surp.	10	11	11	11	11
111	104	7	6.7	Do. pref.	20	110	105	105	105
4⅛	1	.	...	Alta. Pac. Gr.	130	4	2⅜	2½	2⅜
37	13	.	...	Do. pref.	1500	31½	37	32½	36½
20½	6⅛	.	...	Algoma Steel	1615	16½	17⅜	17	17½
97	51	.	...	Do. pref.	60	93	95	92	95
142½	104	4.25+10%		Aluminum	130	129	132½	128	128
112½	111½	6	5.3	Do. pref.	....	(112½ July 28)			
7½	4½	.	...	Amal. Electric	100	7	7½	7½	7½
22½	22½	60c+$1..		Amer. Cyn. B.	....	(29 bid — asked)			
50	46	2.75	5.6	Ang. Can. Tel p	35	50	49	49	49
28½	17½	60+65c	5	Asbestos	2072	24½	26	25	26
17½	11	80+55c	8.2	Assoc. Brew.	245	16½	17	16½	16½
115	109	7	6.2	Do. pref.	1	112	112	112	112
2	2	.	...	Assoc. T & T.A.	....	(— bid — asked)			
31	26	1.68	5.4	Do. pref.	....	(30½ bid 33 asked)			
102	100	5.50	5.5	Ault & Wiborg	....	(101½ bid — asked)			
				B					
168	140	8	5	Bk. Can. Nat.	14	159	159	159	159
227	170	8	3.8	Bk. Montreal	63	210	211	210	211
315	285	12	3.8	Bk. N. Scotia	72	312	313	312	312
256	215	10	3.9	Bk. Toronto	....	(255½ bid — asked)			
5	4½	.	...	Barcelona	....	(5 Mar. 18)			
7½	3	.	...	Barker's Bread	105	6	6½	5	6½
39½	20	2.50	7.2	Do. pref.	....	(33 bid 35½ asked)			
15½	4½	25c	...	Bathurst Pr.	6665	13⅜	14⅜	13½	13⅜
5½	⅜	.	...	Do. (B)	2300	4½	4⅜	4	4⅜
2.75	.50	.	...	Bawlf Grain	200	1.60	1.90	1.75	1.85
27	15	.	...	Do. pref.	15	25½	27	25½	27
4	1½	.	...	Beath & Sons	....	(3 bid 5 asked)			
8½	4	.	...	Beatty Bros.	....	(4 bid 5⅜ asked)			
105	99½	6	5.9	Do. pref.	....	(— bid 102 asked)			
97	97	7	7.8	Do. 2nd pref.	....	(— bid 95 asked)			
7⅜	2	.	...	Beauharnois	3401	5	6	5½	5½
95	90	4	4.2	Belding Cort.	10	90	95	95	95
141	131	7	5.2	Do. pref.	....	(— bid 140 asked)			
178	140	8	4.8	Bell Telephone	675	166½	168	166	167
11	6	62½c	..	Biltmore Hats	105	11	11	10½	10½
8	3½	.	...	Blue Ribbon	110	7	8	7⅜	8
36⅜	25	2.50	6.9	Do. pref.	....	(36 bid 36½ asked)			
24½	17½	1.30	6.2	Brant. Cord. pf.	11	19	21	21	21
12⅜	5⅜	.	...	Brazilian Tr.	11385	9½	9⅜	9	9½
5⅜	3	50+25c	..	Brew. & Distil.	100	4⅜	4	4	4
6½	6½	30c	4.8	Bright, T. G.	....	(4⅜ bid — asked)			
80	80	6	7.5	Do. pref.	....	(72½ bid 90 asked)			
23½	18⅜	1	4.2	Brit. Amer. Oil	6833	23½	23½	23½	23½
18½	11	.	...	B. C. Packers	130	16½	16½	16	16
28½	20	2	7.2	B. C. Power A.	483	28	28½	27	28
3	1	.	...	Do. (B)	2000	2½	3	2½	3
6½	2	.	...	Bruck S. Mills	700	4½	5½	4½	5½
19	12⅜	70+10c	4.7	Building Prod.	1470	17	17½	17	17
15⅜	9½	60c	4.3	Burlington St'l	1175	13½	14½	13⅜	14
				C					
82½	70	.	...	Calgary Power	50	70	70	70	70
100	93	6	6	Do. pref.	10	99½	100	100	100
6½	2	.	...	Canada Bread	104	6	5½	5	5½
105½	97	5	5	Do. pref.	....	(102 bid 105 asked)			
60	49	2.50+1.50▲	4	Do. pref. B	5	58	56	56	56
5	3	40c	8.4	Canada Bud	110	4	4⅜	4½	4⅜
10⅜	5⅜	.	...	Canada Cement	4631	6⅜	7½	6⅜	7½
102½	78	5	5.3	Do. pref.	240	92	93½	90	90
105	100	5	4.8	Canada Cycle p	....	104 bid 104½ asked			
33½	25	1.50+25c	5	C. & D. Sugar	445	33	33½	32½	33
b20⅜	12	50c	3.1	Canada Dry	127	14⅜	16⅜	14⅜	16⅜
24	7	.	...	Can. Forg. A	275	19	20	18	20
23	7	.	...	Do. (B)	45	21½	22	20	22
40	20	.	...	Can. Iron	....	(40 bid — asked)			
75	50	4.50	6.2	Do. pref.	....	(72 bid — asked)			
38	28	1.50+50	5.4	Can. Malting	569	36½	37	36	37
18	13½	1.20	6.7	Can. Nor. Pr.	30	17½	18	17⅜	18
112	95½	7	6.4	Do. pref.	23	108	110	108	110
104	66	3+1	3.9	Can. Packers	585	101⅜	102½	102	102½
*7	1⅜	.	...	Can. Paving, pf	....	(— bid 2 asked)			
153	134	8	5.5	Can. Perman.	40	146	150	146	150
7½	6	.	...	Can. Starch	....	(6 bid — asked)			
109	108	7	6.4	Do. pref.	....	(109 bid — asked)			
7⅜	1	.	...	Can. Steamsh's	3447	5⅜	6½	5⅜	5⅜
19½	6	50c	3	Do. pref.	2257	15⅜	16⅜	15⅜	16⅜
14½	10	1.20	8.5	Can. Vinegars	393	13⅜	14½	14	14½
65	55	4	6.7	Can. W. Cable	100	59	60	60	60
25	14	50c	2.6	Do. (B)	5	19½	19	19	19
107½	101	6.50	6.2	Do. pref.	....	(106½ bid — asked)			
1½	1	.	...	Can. Bakeries	....	(— bid 1½ asked)			
60	25	.	...	Do. pref.	145	55	56	54½	55
179	134	8	4.7	Can. Bk. Com.	219	168	169	167	169
1.80	.75	.	...	Can. Breweries	5022	1.25	1.45	1.25	1.30
23½	14½	2	8.7	Do. pref.	1991	22½	23½	22½	23
48	30	1.50	3.7	Can. Bronze	10	40	40	40	40
109	105	5	4.6	Do. pref.	....	107½ bid 110½ asked			
11	2⅜	.	...	Can. Canners	2405	9⅜	10½	9⅜	9⅜
20½	16½	1	5.1	Do. 1st pfd.	565	20	20	19⅜	19⅜
14½	6	60c	4.5	Do. 2nd pfd.	1195	12⅜	13½	12⅜	13⅜
19½	6⅜	.	...	Can. Car & F'y	4185	14⅜	16½	14⅜	15½
34½	17	.	...	Do. pref.	930	27½	28	27½	27½
29½	10½	1+1.85	9.8	Can. Celanese	6847	23⅜	29½	25⅜	28⅜
125	95	7	5.6	Do. pref.	95	120	125	124	125
21	17⅜	1	4.8	Do. Rights	....	(21 bid 23 asked)			
18	4	.	...	Can. Convert.	12	14	13	13	13
104½	63	4	3.8	Can. Cottons	255	103	104½	104	104½
110	100	6	5.5	Do. pref.	7	110	108½	108½	108½
25½	10½	1	4	Can. Dredge	240	22	25½	25	25
102½	98½	6	5.8	Can. Fairb. pf.	....	(100 bid — asked)			
13	6	1.40	11.2	Can. For. Inv.	....	(10 bid 12 asked)			
100	90	8	8	Do. pref.	....	(100 Oct. 31)			
255½	200	6	3	Can. Gen. Elec.	....	(200 bid — asked)			
9½	7	50c	5.3	Can. G. Inv.	....	(8⅜ bid — asked)			
4⅜	1½	†15c	...	Can. Ind. Alc.	5595	3½	4½	3½	3½
4⅜	1½	†15c	...	Do. (B)	1655	3	3½	3	3
238	192⅜	7	2.9	Can. Indust. B.	2	235	238	238	238
175	157	7	4.2	Do. pref.	....	(169 bid 172 asked)			
.75	.20	.	...	Can. Int. I. Tr.	....	(.25 bid 1.00 asked)			
50	40	2	4.4	Do. pref.	....	(45 bid — asked)			
17½	12½	1	5.8	Can. Lt. & Pr.	8	16½	17½	17½	17½
20	4	.	...	Can. Locomo.	36	13½	14	12	13
1	1	.	...	Can. Mach'y	....	(1½ bid — asked)			
21	18	.	...	Do., pref.	....	(23 bid — asked)			
1.85	.75	.	...	Can. Marconi	875	1.20	1.30	1.20	1.25
20	12	50+50c	5.1	Can. Oil	1381	18	20	18	20
122	106	6	6.8	Do. pref.	20	118	118½	118	118
9½	3	.	...	Can. Pacific	40809	6½	7½	6½	6⅜
1.60	.30	.	...	C. Pr. & Pa. In.	804	1.00	1.30	1.00	1.30
6½	3½	.	...	Do. pref.	55	5⅜	5½	4½	5½
10	2	.	...	Can. Vickers	1105	7	8½	6⅜	7½
41	10	.	...	Do. pref.	105	25	33	26	33
15	9	50c	5	C. Wallpaper A	....	(9½ bid 12 asked)			
13	9	50c	5.5	Do. (B)	15	9½	9	9	9
60	48	1.87½	3.6	Can. West'ho'se	18	52	52	52	52
4½	3	40c	9.4	Can. Wineries	....	(4½ bid 5 asked)			
20½	14⅜	1.50	7.7	Can. Wire Box	60	19½	20	19½	20
3.00	.80	.	...	Capital Estates	80	1.85	1.70	1.70	1.70
115	103⅜	5	4.3	Carnation, pfd.	....	(114 bid — asked)			
14	6	50+25c	5	Catelli Food	100	14	14	14	14
13	11	75c	6	Do. pref.	290	12	12⅜	12½	12½
3.00	1.60	.	...	Celtic Knit	25	2.50	2.00	2.00	2.00
165	160	8	4.5	Cent. Can. L'n.	....	(145 bid 170 asked)			
100	95	4+1	5	Chart. Trust	....	(100½ bid — asked)			
.70	.14	.	...	Chem Research	28116	.17	.55	.16	.45
1.10	.10	.	...	City Gas & El.	60	.25	.20	.20	.20
.15	.05	.	...	Claude Neon	....	(.05 bid .15 asked)			
1.35	1.00	12c	9.9	Coast Brew.	1700	1.25	1.25	1.20	1.21
11⅜	5	.	...	Cockshutt Plow	528	9	9⅜	9	9½
3⅜	1½	10c	...	Comm. Alcohol	1720	2½	3½	3	3½
6½	4½	40c	6.7	Do. pref.	25	6	6	6	6
4½	3	30c	6.7	Conduits Nat.	....	(3⅜ bid 5 asked)			
18½	12	1+15	6.4	Cons. Bakeries	663	17	18½	17½	17½
.06	.05	.	...	Cons. Div. Sec.	55	.06	.05	.05	.05
9½	6½	75c	7.9	Do. pref.	25	9	9½	9½	9½
9½	2⅜	.	...	Cons. Paper	16777	7½	8½	7½	7½
10	3	.	...	Cons. Press	....	(8½ bid 10 asked)			
75	46	1.75	...	Cons. Sand, pf.	....	(55 bid 70 asked)			
61½	37½	1+1	4.2	Cons. Smelters	2811	47	49½	47	47⅜
183	150	10	5.9	Consumers' Gas	385	167	168	166	167
45	20½	.	...	Corr. P. Box, p.	....	(35 bid 50 asked)			
27½	16½	1.20	4.4	Cosmos Imp.	55	27½	27½	27	27
105	101	5	4.8	Do. pref.	....	(105½ bid — asked)			
30	21	1.60	5.5	Crown Cork	200	29	29	29	29
5	2	.	...	Crown Dom. Oil	25	2⅜	2⅜	2⅜	2⅜
35	24	3	10	Crow's N. Coal	25	27	30	30	30
4½	1	.	...	Cub Aircraft	2390	3	3⅜	3	3½
				D, E					
17	11	60+65c	7.6	David & Fr. A	67	16	16½	15½	15½
2½	1½	.	...	Do. (B)	41	2	2	2	2
17½	5	.	...	De Havilland	160	13½	15½	13	14½
90	70	.	...	Do. pref.	....	(60 bid — asked)			
3	2½	.	...	Disher Steel	5	3	2½	2½	2½
14½	9	.	...	Do. pref.	....	(13 bid 15½ asked)			
22½	15	2.05½	9.4	Distill-Seagram	3116	20½	22½	20⅜	21½
90	75	5	5.6	Do. pref.	1	88	90	90	90
30	30	.	...	Dom. Ang. Inv.	....	(40 bid — asked)			
75	75	5+2.50▲	...	Do. pref.	....	(70 bid 84 asked)			
210½	185	10	4.7	Dom. Bank	21	205	210	206	208
46⅜	23½	1.20	2.9	Dom. Bridge	1215	37	41	38	39⅜
22	15	1.50	7	Dom. Coal, pf.	435	21	21½	21	21
45	20	.	...	Dom. Engineer.	335	36	40	36½	40
40½	19	1	2.5	Dom. Foundries	3818	35	39	34½	38½
110	104½	6	5.4	Do. pref.	....	(105 bid 109 asked)			
125	105	5	4.1	Dom. Glass	111	122	122	122	122
165	145	7	4.8	Do. pref.	10	145	145	145	145
33	28	1.20+40c		Dom. Oilcloth	....	(28⅜ bid 30½ asked)			
2	⅜	.	...	Dom. Scot. Inv.	....	(— bid 1½ asked)			
30	25	2.20	...	Do. pref.	....	(26 bid 30 asked)			
4½	3	.	...	Dom. Square	30	4½	4½	4½	4½
18½	7½	.	...	Dom. St. & C.B.	6778	15	16½	15	15⅜
7⅜	3	.	...	Dom. Stores	1145	5	5½	4⅜	5½
7⅜	3½	.	...	Dom. Tar & Ch.	5005	5⅜	6½	5½	5⅜
88	69	6.50	6.4	Do. pref.	50	85	86	86	86
90½	55	5	5.6	Dom. Textile	540	89½	89⅜	89½	89½
161	147	7	4.7	Do. pref.	15	150	150	150	150
10⅜	2	.	...	Donnacona P.A.	4672	8⅜	10	8⅜	9½
11	2	.	...	Do. (B)	1130	7⅜	8⅜	7⅜	8½
13	3	.	...	Dryden Paper	2020	10½	12	11	11½
1.00	.30	.	...	East Koot. Pr.	....	(— bid 1.25 asked)			
8½	5½	.	...	Do. pref.	....	(6 bid 15 asked)			
1.50	.45	.	...	East Dairies	....	(.95 bid 1.25 asked)			
7	2	.	...	Do. pref.	5	6	5½	5½	5½
19⅜	11	1	5.6	East Steel	10	18	17⅜	17⅜	17⅜
99	65	7	7.1	East Theat. pf.	10	98½	99	99	99
3½	1½	.	...	Easy Washing	....	(2⅜ bid 3 asked)			
30	22	1.75	...	Economic Inv.	20	30	28	28	28
15	8	1.20	13	Electrolux	470	9	9½	9	9½
3	1	.	...	Enam. & Heat.	760	2	2½	2½	2½
34	25	2.50	...	English Electric	....	(— bid 45 asked)			
8½	2	.	...	Do. (B)	....	(— bid 6 asked)			
8	3½	15c	...	Equitable Life	5	4	4½	4½	4½
8	5½	60c	...	European El. A.	....	(7 Oct. 28)			
*.10	.01	.	...	Do. Warrants	....	(— bid — asked)			
				F, G					
8	2½	.	...	Fairchild Air.	1965	6½	7½	6½	6⅜
23½	18	1	5.2	Fam. Players	....	(19 bid 20½ asked)			
26	19	1.50+25	6.8	Fanny Farmer	1165	25½	26	25	25½
11½	3½	.	...	Fleet Aircraft	3960	9½	9⅜	9	9
3½	1	.	...	Fleury Bissell	....	(2 bid 4 asked)			
34	25	.	...	Do. pref.	....	(34 bid 39 asked)			
24½	16½	1	4.3	Ford Motor A.	3915	22	23	21⅜	22⅜
24	17½	1	4.2	Do. (B)	....	(22⅜ bid 23½ asked)			
.35	.15	.	...	For. Pr. Secs.	....	(.20 bid — asked)			
12½	6½	.	...	Foundation Co.	830	10	11	10	11
22	5	.	...	Fraser Cos.	364	15½	19	16½	19
23½	5	.	...	Do. Vot. Tr.	4340	17½	21	17½	19½
.30	.25	.	...	Freiman	....	(— bid — asked)			
25	20	.	...	Do. pref.	....	(10 bid 35 asked)			
16½	11	80+5c	5.4	Gatineau Pwr.	891	15½	15⅜	15	15½
96	78	5	5.3	Do. pref.	287	93	95	92	94⅜
104	100	5.50	5.4	Do. 5½% pref.	110	102	102	101	101
6	2⅜	.	...	Do. Rights	550	5⅜	6⅜	5½	5⅜
12	4½	.	...	Gen. St. Wares	1195	9½	10½	9½	10
92½	55	7	...	Do. pref.	65	88½	88½	88	88
90	66	2.50+5	3.8	Goodyear Tire	525	86½	87	85	85
58½	52½	2.50	4.5	Do. pref.	112	55	55½	55	55
50	50	2	...	Gould Pump p.	....	(— bid — asked)			
9½	5	.	...	Gt. Lakes Pap.	....	(— bid 9½ asked)			
28	12	.	...	Do. pref.	5	27	26	26	26
10½	2½	.	...	Do. Vot. Tr. c	285	7½	8	7⅜	7⅜
29½	9½	.	...	Do. Vot. Tr. p	359	27	27½	25	27½
2.25	.60	.	...	Gt. W Saddlery	120	1.25	1.75	1.25	1.75
25	8	$3	...	Do. pref.	....	(23 bid — asked)			
13⅜	9⅜	60c	4.4	Greening Wire	105	12½	13½	13½	13½
7½	4	†30c	..	Gurd, Chas.	5440	6	7½	6	7½
108	105	7	6.7	Do. pref.	....	(105 bid — asked)			
7	3	.	...	Gypsum, Lime	1535	4½	5⅜	4⅜	5½
				H, I					
9½	6	.	...	Ham. Bridge	3080	6⅜	8	6½	7½
35½	22	2	5.6	Ham. Cot., pf.	....	(35½ bid 37 asked)			
1.50	.45	.	...	Ham. U. Theat.	272	1.00	1.50	1.25	1.50
65	49½	6	9.2	Do. pref.	....	(63½ bid 77 asked)			
4½	2½	20c	4.7	Harding Carpet	1515	3½	4½	3⅜	4½
*5	4½	.	...	Hillcrest Coll.	....	(½ bid 4 asked)			
4	1⅜	.	...	Do. pref.	25	3½	4	4	4
15½	7	50c	3.7	Hinde & Dauch	110	13½	13⅜	13½	13½
*20	20	.	...	Holt Renfrew	....	(— bid 15 asked)			
40	35	.	...	Do. pref.	....	(35 bid 45 asked)			
15½	9	.	...	Honey Dew	360	14	15½	14	15½
20½	8½	.	...	H. Smith Pap.	2710	18⅜	20½	18⅜	20½
102	88	6	5.9	Do. pref.	11	101½	101	100½	101
15½	10	1	7.2	Humberstone S.	....	(11½ bid 15 asked)			
6⅜	1	.	...	Hunts (A)	128	6½	6⅜	6⅜	6⅜
6	2	.	...	Do. (B)	1	5	3	3	3
74	60	4	5.5	Huron & E. Mt.	6	74	72	72	72
10	8	80c	...	Do. 20% pd.	....	(10 bid 12 asked)			
4½	3	20c	6.4	Hydro Electric	....	(2⅜ bid — asked)			
221	185	10	4.6	Imperial Bank	11	216	216	215	215
18⅜	12⅜	50+50c	6.2	Imperial Oil	9506	15½	16½	15½	16
17	12⅜	40+22½c	4	Imperial Tob.	3121	15½	15⅜	15	15½
8	6⅜	6%	...	Do. pref.	120	7½	7	7	7
33	23½	2	7.3	Indust. Accept.	35	27	27½	27½	27½
35	20	3	...	Inter-City Bak.	....	(29 bid 34 asked)			
55	45	4+2	...	Inter'c Coal	....	(50 bid — asked)			
*126	119⅜	8	6.7	Do. pref.	....	(— bid — asked)			
22½	15	1.50	7	Inter. Bronze	625	21	21½	21½	21½
30	20	1.50	5.4	Do. pref.	80	27½	27½	27½	27½
.30	.20	3c	...	Int. Coal & C.	450	.25	.25	.20	.25
b8½	3⅜	.	...	Int. Hyd. E.A.	4	4⅜	4⅜	4½	4⅜
15	3½	.	...	Int. Metal Ind.	1975	14½	15	14½	15
110	70	6+4.25▲	5.5	Do. pref.	203	106	110	106	110
105	70	6+4.25▲	5.7	Do. pref. A	....	(107 bid 110 asked)			
114	104	5	4.4	Int. Mill., pf.	60	113½	113½	113½	113½
60½	42⅜	2	4.4	Int. Nickel	5784	44⅜	45⅜	44⅜	45½
4	1½	.	...	Int. Paints	....	(3 bid 3⅜ asked)			
19	11⅜	1+25c▲	5	Do. pref.	....	(14½ bid 18⅜ asked)			
b14⅜	6	.	...	Int. Pap. & P.	256	12⅜	13⅜	13	13
b56½	25½	.	...	Do. pref.	251	49⅜	51½	48½	48⅜
29	18½	1.50+25	7.2	Int. Pete.	3571	23½	24⅜	23½	24⅜
4	2	.	...	Int. Power	75	2½	2½	2½	2½
81	67½	6	7.7	Do. pref.	20	77	78	77⅜	78
*11⅜	10½	.	...	Int. St. Rlty. A.	....	(— bid 14 asked)			
*4	3⅜	.	...	Do. (B)	....	(— bid 4⅜ asked)			
10	5	.	...	Int. Util. A	50	8½	8⅜	8½	8⅜
1.00	.35	.	...	Do. (B)	1610	.50	.55	.40	.45
				J, K, L					
40½	35½	2	5.1	Jam. Pub. Ser.	....	(40½ bid 41 asked)			
133	129	7	5.3	Do. pref.	....	(133 bid — asked)			
12	9	50c	5.6	Kelvinator	....	(9 bid 10 asked)			
28	5	.	...	L. St. John Pr.	26	25	25	20	25
5½	¾	.	...	Lake Sulphite	350	2½	3	2½	2½
28½	13	.	...	Lake of Woods	1267	24½	27½	25	26
126	112	7	5.6	Do. pref.	....	(125 bid 135 asked)			
65	39	4	8	Landed Bank	....	(39 bid 50 asked)			
16	9⅜	70c	4.7	Lang, J. A.	....	(14 bid 19 asked)			
*3	2½	.	...	Langley's	....	(— bid 1.70 asked)			
25½	20	1▲	...	Do. pref.	....	(20 bid 28 asked)			
13½	10	80c	6.4	Laura Secord	2015	12	12⅜	12	12⅜
9⅜	4½	.	...	Legare, pref.	360	7½	8½	7	7½
5½	3	.	...	Lindsay, C. W.	100	4⅜	4⅜	4⅜	4⅜
*78	66	.	...	Do. pref.	....	(— bid 43½ asked)			
29	22	1+25c	4.5	Loblaw (A)	600	27½	28	27	27½
27½	21	1+25c	4.8	Do. (B)	565	26	26	25½	26
				M					
1.05	.40	.	...	Mackenzie Air	800	.40	.45	.40	.45
3	2	.	...	MacKin. Steel	....	(4 bid 5 asked)			
62	55	7	...	Do. pref.	....	(58½ bid — asked)			
21	8	.	...	Maclaren Pr. pf.	385	16	18½	16½	18
8	3½	.	...	M. L. Gardens	....	(6½ bid 7½ asked)			
8	5	70c	10	Do. pref.	196	7	7½	7½	7½
7	1	.	...	Maple Leaf M.	2278	5⅜	6½	5⅜	5⅜
10½	2½	.	...	Do. pref.	2788	8⅜	9½	8½	9
16	15½	70+2½c	..	Maritime Tele.	....	(16 bid — asked)			
17	16⅜	70c	...	Do. pref.	....	(17 bid — asked)			
15⅜	12	.	...	Marcus Loew's	....	(10 bid — asked)			
*115	115	7+24.50▲		Do. pref.	....	(— bid — asked)			
9½	2½	.	...	Massey-Harris	10221	6½	7½	6½	6½
64	29½	.	...	Do. pref.	2283	59	61⅜	58½	59
9⅜	5	.	...	McColl Fron.	391	8	8½	8	8
98½	92½	6	6.2	Do. pref.	208	96	98½	97	97
.04	.01	.	...	Do. Rights	9673	.02	.03	.01	.01½
2.00	1.20	.	...	Melchers	....	1.50 bid 2.00 asked			
7	4	60c	9.6	Do. pref.	51	6½	6½	6½	6½
1½	1½	.	...	Mercantile Tr'n.	....	(— bid — asked)			
5	5	3%	...	Do. pref.	....	(— bid — asked)			
*2½	2½	.	...	Mercury Mills	....	(— bid 1 asked)			
25½	5½	.	...	Do. pref.	32	19	19	17	18
52	50	2	4	Mitchell, J. S.	....	(50 bid — asked)			
113	112	7	6.2	Do. pref.	5	112	112	112	112
20	6	.	...	Mitchell, Robt.	1400	15½	16⅜	16	16
3½	1	.	...	Monarch Knit.	....	(2½ bid 5 asked)			
52	19½	.	...	Do. pref.	....	(50 bid 60 asked)			
55	33	2	3.6	Montreal Cot.	....	(54½ bid 60 asked)			
110	98	7	6.4	Do. pref.	....	(107 bid 110 asked)			
1.50	.25	.	...	Mont. Is. Pr.	1	.25	1.50	1.50	1.50
33	26	1.50	4.9	Mont. L. & Pr.	3773	30	30⅜	30½	30⅜
51⅜	41½	.	...	Do. Notes	235	49⅜	49½	49	49½
28	21½	2	9.3	Montreal Loan	25	21½	21½	21½	21½
1.00	.50	.	...	Mtl. Refrig & S	....	(.50 Aug. 28)			
12⅜	10	1.25	...	Do. pref.	....	(10 Aug. 28)			
60	49½	3.20	6.4	Montreal Tele.	....	(— bid 50 asked)			
73	49	6	11.3	Montreal Trams	125	50	53	50	53
45½	35	1.60+60c	5	Moore Corp.	659	44½	45	44	44⅜
182	150	7	3.9	Do. pref. (A)	....	(177 bid 183 asked)			
267	206	7	2.6	Do. pref. (B)	....	(266 bid — asked)			
.10	.05	.	...	Muirheads	....	(.05 bid .25 asked)			
*4	2½	.	...	Do. pref.	....	(— bid 3½ asked)			
				N, O					
43	31	2	5.5	Nat. Breweries	1325	37½	36⅜	36	36
45½	35	1.75	4.2	Do. pref.	10	42	42	42	42
7⅜	4½	.	...	Nat. Grocers	60	7½	7½	7½	7½
26	23	1.50	5.8	Do. pref.	105	25⅜	25⅜	25½	25⅜
13½	8	.	...	N. Sew. Pipe A.	90	8½	8⅜	8⅜	8⅜
76½	39½	2	2.9	Nat. Steel Car.	2105	67½	71	67⅜	69
205	190	8	4.1	National Tr.	....	190½ bid 194 asked			
8	7⅜	60c	...	Neon Prod.	100	7⅜	8	8	8
28	16	1.40	...	Niag. W. Weav.	10	24	24	24	24
1.25	.40	.	...	North Star Oil	....	(.60 bid 1.00 asked)			
3⅜	3	35c	9.5	Do. pref.	....	(3½ bid 3⅜ asked)			
95½	92	6	6.4	N. S. L. & Pr.	....	(93 bid — asked)			
107	102	6	5.7	Do. pref.	....	(107 bid — asked)			
*15	9	.	...	N. S. Steel, pf.	....	(— bid — asked)			
35⅜	23	1	3	Ogilvie Flour	505	33½	34	33	34
170	150	7	4.5	Do. pref.	....	(157 bid — asked)			
112	98½	5	5.1	Ontario Loan	....	(109 bid 115 asked)			
*7½	4½	.	...	Ont. Silknit	....	(— bid 4⅜ asked)			
25	7½	.	...	Do. pref.	....	(— bid 40 asked)			
5	3	.	...	Do. Script	104	5	5	5	5
14½	6	60c	5	Ont. Steel	5	13	12	12	12
110	90	7	6.4	Do. pref.	....	(110 Oct. 12)			
5	1½	.	...	Orange Crush	....	(4 bid 4½ asked)			
7⅜	4	70c	9.2	Do. pref.	....	(7½ bid 7½ asked)			
13	12	.	...	Ottawa Car Air.	315	13	12½	12	12
8½	4	.	...	Ottawa El. Rly.	10	6½	7½	7½	7½
15½	14	1	6.5	Ott. L. H. & Pr.	....	(14⅜ bid 15 asked)			
102	98	5	5	Do. pref.	....	100 bid 102½ asked			
				P, Q, R					
20	10	3c	...	Pacific Coyle	....	(18 bid 25 asked)			
110	93	4+50c	4.1	Page Hersey	437	105	110	107	110
7	4⅜	.	...	Pantepec Oil	....	(4⅜ bid 5½ asked)			
25	5	50c	...	Paton Mfg.	22	24	25	25	25
115	100	7	6.1	Do. pref.	...	(110 bid — asked)			
65	38	3	5.7	Penmans	36	55	55	53	53
130½	115	6	4.6	Do. pref.	....	(130 bid — asked)			
20	15	1	5.4	Photo Eng.	....	(17½ bid 19 asked)			
101	95½	7	7	Porto Rico Pr p	....	(101 bid — asked)			
12½	7	60c	5.7	Power Corp.	1130	10½	11½	10½	10½
105	96	6	6	Do. pref.	15	99⅜	101	100	100
47	41	3	7	Do. 2nd pref.	2	43	44	44	44
13	5	.	...	Pressed Metals	810	11	11	10⅜	10⅜
24	6½	.	...	Price Bros.	4970	19	21	19½	20½
70	36	2.75	...	Do. pref.	20	67	70	67	70
8	5½	20c	3.2	Prov. Transport	130	6	6½	6	6½
19	15	1	6	Quebec Power	505	16⅜	17	16½	16⅜
5	4½	.	...	Que. Telephone	40	5	4½	4½	4½
35	30	2	6.7	Real Estate L'n	....	(30 bid — asked)			
7½	2	.	...	Regent Knit	280	6	6	6	6
21	17	.	...	Do. pref.	....	(17 bid 18 asked)			
4	2	25c	...	Reinhardt Br.	250	2⅜	2½	2½	2½
6½	1½	.	...	Reliance Grain	....	(5 bid 6 asked)			
*12½	10½	80c	...	Remington R'd.	....	(10½ bid — asked)			
28	22½	2	7.3	River S. Mills	10	27½	27½	27½	27½
4½	1⅜	.	...	Rogers Majest.	....	(2⅜ bid 3½ asked)			
16	7	50c	...	Rolland Pap.	....	(13 bid — asked)			
18	6	50c	...	Do. Vot. Trust	155	15	15½	15½	15½
100	90	6	6.2	Do. pref.	10	97½	100	100	100
193	140	8	4.3	Royal Bank	132	190	190	183	186
100	71	7	7	Russell Indust.	....	(120 bid — asked)			
150	112	7	4.7	Do. pref.	40	140	150	145	150
				S					
107½	100	5.50	5.2	Saguenay Pr. p.	285	107	107½	107	107
30	17½	1+50c	5	Sangamo	55	27	30	30	30
8	4	.	...	Sarnia Br. (A)	10	8	6⅜	6⅜	6⅜
6	2	.	...	Do. (B)	100	3½	2½	2½	2½
25	18½	90c	3.8	Shawinigan Pr.	1572	23	23⅜	23	23⅜
14½	10	.	...	Sher. Wms.	280	12½	13	12	13
115	103	7	6.2	Do. pref.	1	113	112	112	112
5	1½	.	...	Silverwoods	144	5	5	5	5
7½	3½	40+20c▲	6	Do. pref.	30	5	6⅜	6⅜	6⅜
9	7	60c	8.2	Simon & Son.	....	(7⅜ bid 9 asked)			
106	102	7	6.7	Do. pref.	....	(— bid 110 asked)			
19½	9	.	...	Simpson, A.	100	15	15	15	15
8	1⅜	.	...	Do. (B)	5	7	7	7	7
99	75	5+1	5	Do. pref.	60	99	99	98	99
138½	115	6	4.4	Simpson, R., pf.	....	(135 bid 140 asked)			
14	10	80c	5.7	So. Can. Pr.	101	13⅜	14	13⅜	14
112⅜	106	6	5.4	Do. pref.	10	108½	110	110	110
6½	1½	.	...	St. Law. Corp.	3100	5	5½	5	5½
19⅜	6	1▲	...	Do. (A)	1430	18	19	18	18
32	17½	1+50c	5	St. Law. Flour	10	30	30	30	30
125	111	7	5.6	Do. pref.	....	(115 bid 125 asked)			
49½	21	.	...	St. Law. Pap. p.	230	43	47	45	45
10⅜	3	50c	5	Stand. Chem.	....	(10 bid 10½ asked)			
1	1	.	...	Stand. Clay	....	(— bid 3 asked)			
3.50	.70	.	...	St. Pav. & Mat.	175	.90	1.05	.90	1.00
5½	2½	.	...	Do. pref.	....	(4⅜ bid 5½ asked)			
42	35	3	7.5	Stand. Steel, pf.	35	38	40	38	40
22½	16⅜	60+40c	4.5	Stedman Bros.	10	21½	22½	22½	22½
89	66½	1.75‡	4.3	Steel of Can.	763	85	86	85	85½
85	66½	1.75	2.1	Do. pref.	185	81	82½	81½	82½
4	2	.	...	Sterling Coal	....	(3 bid 4½ asked)			
.20	.15	.	...	Stop & Shop	....	(— bid .20 asked)			
10	8½	80c	8	Stuart, D.A. pf.	....	(11½ bid 14 asked)			
4½	2	.	...	Supersilk, H. A.	50	3½	3½	3½	3½
4⅜	2⅜	.	...	Do. (B)	....	(4 bid — asked)			
85	71	5	6	Do. pref.	....	(82 bid 86 asked)			
38⅜	32	1+50c	4.4	Sup. Pete. ord.	....	(31⅜ bid 40 asked)			
37½	35	1+50c	4	Do. com.	....	(34 bid — asked)			
				T, U, V					
13	10	80c	6.7	Tamblyn	110	12	12	11½	12
54	42	2.50	4.8	Do. pref.	....	(52 bid 53 asked)			
4	2½	.	...	Thayers	....	(1½ bid 3 asked)			
35	30	3.50	11.3	Do. pref.	....	(31⅜ bid 36 asked)			
*.50	.25	.	...	Thrift Stores	....	(.25 bid 1.00 asked)			
8	2½	.	...	Do. pref.	70	6	8	8	8
15	8½	60c	4.4	Tip Top Tailors	....	(13 bid 14 asked)			
110	95	7	6.4	Do. pref.	10	110	110	110	110
3½	1	.	...	Tooke Bros.	75	3	3	3	3
15½	5	.	...	Do. pref.	....	(11 bid 14 asked)			
32½	10	1	3.3	Tor. Elevators	558	30	32½	30	32
50	41½	2.62½	5.3	Do. pref.	25	49	48½	47½	47½
90	79	4	4.8	Tor. Gen. Tr.	10	83	83	83	83
113	94	6	6	Toronto Mtge.	111	96	100	100	100
170	150	7	4.5	Tuckett Tob. p.	11	155	155	154	155
3	2	.	...	Twin City	20	2½	2½	2½	2½
15⅜	11	80+20c	6.3	Union Gas	1111	15½	15⅜	15⅜	15⅜
14½	11	60+15c	6	Un. Amuse. A.	....	(12 bid — asked)			
14	10½	60+15c	7.2	Do. (B)	....	(11½ bid — asked)			
1.05	.90	.	...	Un. Cigar-W.	....	(1.00 July 31)			
.75	.50	.	...	United Distill.	50	.50	.55	.55	.55
40½	35	3	7.4	United Fuel, pf.	455	39½	40½	39	40½
7½	2⅜	.	...	Do. B. pref.	689	5⅜	7½	6	7
6½	4½	.	...	United Secs.	....	(3 bid 6 asked)			
7⅜	3	.	...	United Steel	3905	5½	6⅜	5⅜	6½
3⅜	2	.	...	Viau Bisc.	....	(— bid 3½ asked)			
55½	47	5	9.2	Do. pref.	75	52	54	54	54
				W, Y, Z					
33	12	1	3.5	Wabasso Cot.	....	(28½ bid 31 asked)			
51	33½	4	9.3	Walker-Good.	2025	42½	43½	42	42½
20⅜	16½	1	5	Do. pref.	555	19⅜	20½	19⅜	20
1.40	.70	.	...	Walkerville Br.	985	1.00	.95	.90	.90
*125	123	7	5.6	W. Koot. Pr. pf	....	(— bid — asked)			
7½	2	.	...	West. C. Flour	70	4½	4⅜	4½	4½
50	15	.	...	Do. pref.	131	33	36	35	35
50	45	3	6	West Grocers	....	(50 bid 52 asked)			
114	103½	7	6.4	Do. pref.	10	110	110	110	110
11	10½	50c	4.5	W'minster Pap.	....	(13⅜ bid — asked)			
13	9⅜	80c	6.3	Weston Ltd.	911	12½	12⅜	12½	12⅜
96	55	5	5.6	Do. pref.	10	90	90	90	90
24½	17	1	4	Wilsils	1125	23½	24½	23½	24½
3½	1	.	...	Winnipeg El. A	764	2½	3	2½	2½
3½	1	.	...	Do. (B)	669	2	2⅜	1½	2½
15	6	.	...	Do. pref.	141	10	12	10	12
73½	60	7	...	Wood, A. & J. p	46	70	73½	70	73½
51	17½	.	...	Woods Mfg. pf.	10	45	47	47	47
8	4	.	...	York Knitting	110	7½	7½	7½	7½
100	100	7	7	Do. 1st pref.	....	(100 Jan. 4)			
9½	7	.	...	Zellers	195	9	9	8½	9
25	22	1.50	6.4	Do. pref.	85	22⅜	23½	22½	23½

Quotations: *1938. *1937.
▲ On account of arrears. b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1939.
† Interim.

Mining Stocks

Week Ending December 11, 1939

Par Val.	Range 1939 High	Low	Company	Sales	Close Dec. 4 (or last)	High for week	Low for week	Close Dec. 11
			A					
1	.04	.01½	Afton	......	(.01½ bid .01⅜ asked)			
No	.65	.24	Aldermac	31,898	.35	.41	.30	.35
1	.17	.04½	Amm. Gold	2,200	.04½	.05½	.04½	.05½
No	3.25	2.00	Anglo-Huronian	550	2.30	2.35	2.30	2.35
No	.02	.01	Arno	......	(.01 bid .02 asked)			
1	.17½	.05½	Arntfield	29,100	.11½	.12	.11	.11½
1	.10½	.04½	Ashley	3,500	.06	.06	.06	.06
1	.06½	.01	Astoria Quebec	3,500	.02	.03	.02½	.03
1	2.87	1.65	Aunor Gold	4,661	2.15	2.20	2.10	2.15
			B					
1	.23	.06	Bagamac	1,875	.07	.08	.07½	.07½
1	.38	.15	Bankfield	8,966	.19	.19½	.18½	.18½
No	.34	.10	Base Metals	14,572	.10	.24	.20	.23
1	.32	.05	Bear Exploration	7,700	.05	.07	.05	.07
No	1.40	.92	Beattie Gold	5,300	1.06	1.09	1.02	1.05
1	.16½	.07½	Beaufor	600	.14	.13½	.12½	.12½
1	.30	.09½	Bidgood Kirk.	34,400	.11½	.13	.11	.11½
1	.35	.08	Big Missouri	454	.12½	.11	.10½	.11
1	.22	.05½	Bobjo	10,600	.08½	.08½	.08	.08½
1	.12	.03½	Bouscadillac G.M.	......	(.03½ bid .05 asked)			
No	12.50	9.10	Bralorne	535	11.00	11.25	11.00	11.12
1	.08	.03	Brasil Gold	......	(.04 bid .06 asked)			
1	.03½	.01	Brett Trethewey	......	(.01 bid .01½ asked)			
1	.75	.19	Broulan Porc.	82,450	.52	.57	.48	.50
1	15.50	5.75	Buffalo Ankerite	760	7.75	8.00	7.65	7.65
No	.05	.01	Buffalo Can.	1,000	.02½	.03	.03	.03
5	28.00	17.75	Bulolo Gold	110	24.00	24.00	24.00	24.00
No	.11½	.02	Bunker Hill	3,700	.02½	.03	.02½	.03
			C					
No	1.03	.48	Can. Malartic	13,300	.69	.76	.70	.72
1	.03½	.01	Capital Rouyn	......	(.00½ bid .01½ asked)			
1	2.40	1.70	Cariboo Gold	300	2.23	2.17	2.10	2.10
1	.06	.01½	Cartier Malartic	......	(.02 bid .02½ asked)			
1	1.05	.50	Castle Trethewey	1,950	.65	.63	.60	.60
1	.25½	.09	Cen. Cadillac	4,700	.15	.15	.13	.14
1	.03	.02½	Cen. Manitoba	......	(.03 Nov. 27)			
1	2.75	1.91	Cen. Patricia	3,800	2.32	2.37	2.32	2.37
1	.14½	.05	Cen. Porcupine	14,300	.07½	.08	.07	.08
1	.25	.12	Century Mining	500	.18	.15	.15	.15
1	1.39	.62	Chesterville	24,050	.87	.92	.85	.85
No	.88	.40	Chromium	1,200	.60	.59	.55	.55
5	4.50	1.50	Coast Copper	250	2.00	2.10	1.65	1.65
5	2.00	1.25	Coniagas	400	1.47	1.60	1.49	1.60
No	2.34	1.10	Coniaurum	5,704	1.70	1.78	1.65	1.65
1	.30	.10	Con. Chibougamau	25	.11½	.10	.10	.10
5	61.25	37.50	Cons. Smelters	2,811	47.00	49.25	47.00	47.75
			D, E					
1	.17	.05	Denison Nickel	5,000	.08½	.08½	.07	.07
No	34.25	23.00	Dome Mines	1,160	28.50	29.50	28.75	29.12
1	.06	.01	Dom. Explorers	500	.02	.02½	.02½	.02½
1	.09½	.03	Dorval Siscoe	14,700	.03½	.05	.03	.05
1	.08	.01½	Duparquet	10,000	.01½	.02	.01½	.02
1	.27	.05	Duquesne	62,100	.01½	.15½	.09½	.13½
1	3.40	2.00	East Malartic	26,580	3.20	3.40	3.20	3.40
1	2.36	.74	Eldorado	11,350	.92	.93	.90	.90
			F, G					
No	6.75	4.00	Falconbridge	1,430	4.25	4.35	4.05	4.10
1	.08½	.02	Federal	5,000	.04	.03½	.03½	.03½
1	.17	.02½	Fernland	......	(.02½ bid .04 asked)			
No	.77	.15	Francoeur Gold	13,100	.42	.42½	.40	.41
1	.11½	.04	Gillies Lake	7,600	.05½	.06½	.05	.05½
1	.05	.01½	Glenora	500	.02½	.02	.02	.02
No	.64	.20	God's Lake	22,380	.62	.64	.62	.63
1	.28	.15	Goldale	6,500	.19	.18½	.18	.18½
50c.	.63	.19	Gold Belt	......	(.22½ bid .23 asked)			
1	.28	.04½	Gold Eagle	27,950	.21	.23½	.21	.21
1	.25½	.15	Golden Gate	14,525	.18	.18½	.15	.18
1	.03½	.01	Goodfish	2,000	.01½	.01½	.01½	.01½
1	.04	.01½	Graham Bosquet	......	(.02½ bid .02½ asked)			
No	.07	.04½	Grandora	3,500	.05½	.06½	.06½	.06½
1	.03½	.01½	Grull Wihksne	......	(.01½ bid .03 asked)			
1	.64	.35	Gunnar Gold	4,220	.49	.49	.44	.48
			H, I, J					
1	.04	.00⅞	Halcrow Swayze	73,900	.02½	.04	.02	.03
1	.08	.01½	Halliwell Gold	7,000	.02½	.02½	.02½	.02½
1	1.95	.70	Hard Rock	18,175	1.32	1.37	1.30	1.36
1	.10	.04	Harker	4,600	.05½	.05½	.05½	.05½
1	1.58	.28	Hedley Mascot	......	(.36 bid .45 asked)			
5	15.50	12.00	Hollinger	5,690	14.75	15.00	14.63	14.87
1	.37	.22	Howey Gold	13,825	.32	.34	.32½	.34
No	40.00	25.50	Hudson Bay	3,280	31.25	32.37	31.00	31.50
1	.45	.15	Inspiration	3,500	.32	.32	.30	.30½
1	9.87	7.00	Inter. Mining	......	(9.87 Sept. 5)			
No	60.12	42.75	Int. Nickel	5,784	44.75	45.87	44.75	45.50
50c.	1.26	.70	Island Mountain	......	(.83 bid 1.00 asked)			
1	.11½	.02	Jacola	5,066	.03½	.04	.03	.04
1	.50	.16½	Jack Waite	600	.30	.27	.27	.27
1	.22	.05	Jellicoe	139,911	.10	.17½	.09½	.17
1	.11	.02	J. M. Cons. Gold	714	.03	.03	.03	.03
1	.06½	.02	Joliet Quebec	12,000	.02½	.04	.03	.03
			K, L					
1	2.16	1.47	Kerr Addison	18,636	2.10	2.16	2.10	2.14
1	.65	.30	Kerr Lake	......	(.35 bid 1.00 asked)			
1	.10	.01½	Kirk. Gold Rand.	......	(.02 bid .... asked)			
1	.73	.16	Kirk. Hud. Bay	1,300	.20	.27	.25	.27
1	1.75	1.00	Kirkland Lake	16,155	1.35	1.40	1.34	1.38
1	.21	.06	Kirk. Townsite	6,200	.14	.13	.10	.10
1	50.50	26.75	Lake Shore	4,445	29.00	29.00	26.75	26.75
1	7.30	5.50	Lamaque Gold	2,802	6.95	7.10	6.25	7.10
1	.54	.10	Lapa Cadillac	4,100	.13	.14	.13	.13½
1	.08½	.01	Lebel Oro	5,100	.02	.02	.01½	.01½
1	.90	.58	Leitch Gold	17,100	.75	.85	.73½	.85
No	3.60	2.30	Little Long Lac	2,200	2.99	3.05	3.00	3.00
			M					
1	5.90	3.50	Macassa	7,115	4.40	4.40	4.25	4.30
1	3.20	1.30	MacLeod Cockshutt	5,925	2.31	2.36	2.30	2.30
1	.55	.22	Madsen Red Lake	16,700	.45	.46	.43½	.45
1	.90	.35	Malartic Gold	41,150	.82	.86	.83	.85
No	.23	.08	Mandy	300	.11	.13	.11	.11
No	.02½	.00⅞	Man. & Eastern	300	.01	.00⅞	.00⅞	.00⅞
1	.07	.01	Maralgo	5,350	.02	.04	.03½	.04
5	59.63	45.00	McIntyre	930	55.75	56.50	55.00	55.00
1	1.38	1.00	McKensie R.L.	9,500	1.25	1.30	1.26	1.29
1	.20½	.06	McVittie Graham	3,100	.08½	.09	.08½	.09
No	.75	.35	McWatters	11,000	.55	.58	.55	.58
5	.35	.30	Mentor Exploration	......	(.... bid .39 asked)			
No	2.05	1.00	Mining Corp.	1,501	1.22	1.26	1.19	1.23
1	1.45	.65	Moneta	16,130	.85	.95	.80	.91
1	.20	.04	Morris Kirk.	83,041	.06½	.08	.06½	.07
1	.02½	.01	Murphy	......	(.01 bid .01½ asked)			
			N, O					
1	.51½	.08½	Naybob	274,900	.25½	.28½	.24½	.25
No	.09	.02	Newbec	1,000	.03	.03	.03	.03
1	.25	.05	New Golden Rose	......	(.... bid .10 asked)			
5	1.80	1.05	Nipissing	2,000	1.20	1.20	1.17	1.20
No	84.00	69.00	Noranda	2,948	75.75	78.00	75.00	77.00
No	.60	.40	Nor. Canada	500	.50	.50	.50	.50
1	.06½	.02	Norgold	17,500	.04	.06	.04	.06
1	.95	.30	Normetals	2,689	.65	.68	.60	.62
1	9.50	7.50	Northern Empire	......	(9.00 bid 9.75 asked)			
1	3.25	1.20	O'Brien	4,360	1.50	1.60	1.50	1.51
1	.53	.20	Omega	13,922	.22	.24½	.22½	.23
1	.52½	.15	Oro Plata	19,146	.30	.37	.29	.35
1	.14	.07	Osisko	......	(.07½ bid .... asked)			
			P, Q, R					
No	4.85	1.65	Pamour	17,533	2.01	2.15	2.00	2.04
1	.16	.02½	Pandora	......	(.02½ bid .05 asked)			
1	2.55	2.00	Pato Cons. G.	1,500	2.30	2.35	2.35	2.35
1	.07½	.02	Partanen Mal.	1,700	.02½	.03	.02½	.02½
1	.02	.00½	Pawnee Kirk.	......	(.00½ bid .01½ asked)			
1	.61	.28	Paymaster	45,850	.35	.39	.34½	.37½
1	3.95	1.01	Pend Oreille	8,230	2.11	2.40	2.05	2.15
1	2.05	1.40	Perron Gold	4,300	1.90	1.95	1.83	1.87
1	5.60	3.50	Pickle Crow	1,760	4.35	4.35	4.30	4.35
1	2.70	2.00	Pioneer Gold B.C.	1,250	2.30	2.30	2.25	2.25
100	14.50	10.00	Placer Devel.	400	12.75	13.00	12.00	13.00
1	2.45	1.18	Powell Rouyn	2,700	1.85	1.97	1.90	1.92
1	2.40	1.10	Premier Gold	3,230	1.38	1.41	1.29	1.41
1	2.28	1.10	Preston E. Dome	68,791	2.18	2.20	1.98	2.11
No	.58	.40	Prospectors Air's	......	(.... bid .50 asked)			
1	.65	.24	Quebec Gold	......	(.31 bid .39 asked)			
No	.17	.04	Quemont	......	(.07 bid .12 asked)			
No	.09	.02	Red Crest	......	(.03 bid .04½ asked)			
1	.56	.20	Reno Gold	500	.52	.51	.51	.51
1	.59	.20	Reeves McDonald	......	(.... bid .50 asked)			
1	.01½	.00½	Robb Montbray	......	(.00½ bid .01 asked)			
1	.11½	.05½	Roche Long Lac	500	.04½	.05	.05	.05
			S, T, U, V, W, Y					
1	2.27	1.18	San Antonio	45,793	2.12	2.27	2.10	2.19
1	.17	.05	San River	6,100	.08½	.10	.09	.09
1	.51	.17	Senator Rouyn	50,400	.37	.42	.38	.41
1	.04½	.02	Shawkey	2,900	.02½	.02½	.02	.02½
50c.	1.25	.90	Sheep Creek	400	1.18	1.20	1.17	1.18
1	2.00	.75	Sherritt Gordon	25,411	1.10	1.24	1.10	1.16
1	9.25	5.20	Sigma Mines	2,057	8.40	8.50	8.10	8.30
1	1.65	.62	Siscoe	25,458	.66	.75	.67	.75
1	.80	.21	Sladen Malartic	17,200	.38	.43	.35	.42
1	.13½	.02½	Slave Lake	24,200	.08	.08½	.06	.07
No	1.03	.09½	Stadacona	47,871	.11	.12	.10	.11½
1	.15½	.06½	St. Anthony	9,100	.11½	.12	.10½	.11½
No	2.17	1.50	Steep Rock	71,945	1.70	2.17	1.67	2.10
No	.11	.02½	Straw Lake	52,300	.04½	.05½	.04½	.05
1	.24½	.09	Sturgeon River	2,000	.11	.11½	.11	.11½
No	3.00	1.70	Sudbury Basin	2,700	1.90	2.00	1.90	1.95
1	.14½	.04	Sudbury Contact	500	.05	.06	.06	.06
1	1.01	.58	Sullivan Cons.	4,185	.70	.76	.70	.75
1	3.55	2.70	Sylvanite	2,250	3.15	3.15	3.10	3.15
1	4.70	3.75	Teck Hughes	16,320	4.00	4.05	3.95	3.95
1	.14½	.04½	Temiskaming	3,500	.07	.07	.06	.07
1	2.30	1.25	Toburn Gold	900	1.80	1.60	1.60	1.60
1	.44	.19	Towagmac	1,700	.25	.30	.25	.25
1	1.65	.65	Uchi Gold	3,600	.81	.84½	.81	.84
...	97.75	86.00	Do., Bonds	1,500	96. 0	96.50	93.25	96.50
1	.71	.52	Upper Canada	8,300	.65	.65	.63	.64
No	5.80	3.75	Ventures	1,643	4.40	4.45	4.25	4.35
No	8.25	5.00	Waite Amulet	4,076	5.70	6.15	5.60	5.80
1	.15	.06½	Wendigo	1,000	.07	.09	.09	.09
No	.01½	.00½	White Eagle	6,000	.01	.00½	.00½	.00½
1	.08½	.01½	Whitewater Mines	2,900	.04	.04½	.04½	.04½
1	.08½	.02	Wiltsey Coughlan	1,000	.02½	.03	.02½	.03
1	.19	.08	Wood Cadillac	31,200	.15½	.16	.14½	.16
No	8.90	6.70	Wright-Hargreaves	8,770	7.95	8.10	7.85	7.95
No	.09	.03	Ymir Girl	2,500	.04½	.05½	.05½	.05½

Oil Stocks

Par Val.	Range 1939 High	Low	Company	Sales	Close Dec. 4 (or last)	High for week	Low for week	Close Dec. 11
No	.10	.04	Acme Gas & Oil	1,000	.04½	.05	.05	.05
1	.30	.10	Alta. Pac. Cons.	......	(.15 bid .20 asked)			
1	.30	.15	Ajax	......	(.16 bid ... asked)			
No	1.52	.60	Anglo Canadian	24,750	.90	1.05	.90	.95
No	.15½	.06	Anaconda	......	(.05½ bid ... asked)			
No	.21½	.06	Br. Dominion	1,500	.15	.13	.12	.12½
No	.33	.13	Brown Oil	15,650	.18	.20½	.17	.17½
100	65.00	48.00	Do., pref.	25	63.00	63.00	63.00	63.00
No	2.80	1.11	Calgary & Ed.	3,850	2.10	2.25	2.15	2.19
1	.65	.20	Calmont	11,700	.33	.41	.33½	.37
No	.55	.24	Commoil	2,000	.31	.30	.30	.30
No	.36	.21	Common Pete	1,300	.24	.23½	.23	.23½
No	.75	.25	Dalhousie	1,800	.45	.52	.45	.49
No	.60	.18	Davies Pete	5,600	.26½	.28	.26	.26
No	.13	.04½	East Crest	2,500	.05½	.06½	.05½	.06
No	.27	.19½	Extension Oil	11,800	.20	.24	.20	.22
25c	.13	.07	Firestone Pete	2,500	.08	.07½	.07½	.07½
No	1.45	.40	Foothills	2,800	.60	.75	.75	.75
25c	.14½	.06½	Foundation Pete	500	.11	.10	.10	.10
50c	.08	.06½	Grease Creek Pete	......	(.05½ bid .07½ asked)			
No	.20	.10	Hargal	......	(... bid .20 asked)			
No	.35	.08	High Sarcee	1,000	.17½	.18	.18	.18
No	3.75	1.23	Home	26,565	2.41	2.77	2.40	2.75
1	.26½	.05	Homestead O.&G.	65,000	.05½	.08	.05½	.06½
No	.23	.08	McD. Segur	500	.13	.14	.14	.14
1	.48	.20	Model	......	(.21 bid .30 asked)			
25c	.12½	.06	Monarch Royalties	500	.08	.07½	.07½	.07½
1	.13	.04	Nordon	......	(.04 bid .07 asked)			
No	.03½	.01½	Oil Selections	......	(.02 bid .02½ asked)			
No	1.73	.67	Okalta	10,450	1.05	1.28	1.10	1.20
No	.12	.03	Pacalta	5,200	.05	.05½	.04	.04½
1	.44	.30	Pacific Pete	1,700	.31	.31	.30	.30
1	.30	.25	Petrol Oil & Gas	......	(.25 bid .50 asked)			
25c	.25	.17	Prairie Royalties	600	.19	.19½	.19½	.19½
No	45.63	26.00	Royalite	1,786	33.75	35.50	33.63	35.50
No	.75	.25	South West Pete	1,700	.35	.43	.40	.42
No	.11½	.04	South End	25,800	.06½	.07½	.06½	.07
No	1.30	.60	Texas Can.	10,955	.75	.83	.71	.80
No	.15½	.07	United Oils	1,100	.07	.07½	.07	.07½
No	1.00	.35	Vulcan	700	.52	.55	.55	.55
No	.08½	.03	West Flank	2,050	.03½	.03	.03	.03

Vancouver Stocks

Par Val.	Range 1939 High	Low	Company	Sales	Close Dec. 4 (or last)	High for week	Low for week	Close Dec. 11
1	.30	.10	Big Missouri	2,000	.12	.13	.12	.13
25c	.01½	.00½	Bluebird	21,000	.00½	.00½	.00½	.00½
No	12.50	9.00	Bralorne	415	11.00	11.25	11.00	11.25
1	.03½	.02	Bridge River Cons	......	(.01½ bid .03 asked)			
1	2.40	1.70	Cariboo Gold	1,500	2.22	2.15	2.10	2.10
No	.06½	.01½	Dentonia	2,500	.01½	.02	.01½	.02
No	.07	.01½	Fairview Amal.	21,000	.01½	.01½	.01½	.01½
1	.01½	.00½	Federal Gold	5,000	.00½	.00½	.00½	.00½
1	.40	.20	George Copper	......	(.20 Nov. 23)			
1	.10	.03	Golconda	......	(.04 bid ... asked)			
50c	.62	.15	Gold Bolt	8,700	.23	.24	.20	.20
50c	.19	.03½	Grandview	100	.11	.11	.11	.11
1	.03½	.01	Grull Wihksne	2,000	.02½	.02	.02	.02
1	1.54	.26	Hedley Mascot	8,600	.37	.40	.40	.40
No	.01	.00½	Home Gold	......	(.00½ bid .00⅞ asked)			
1	.01½	.00½	Indian Mines	......	(.01 bid ... asked)			
50c	1.40	.75	Island Mountain	......	(.81 bid .92 asked)			
1	.34	.27	Inter't'l Coal	......	(... bid .30 asked)			
50c	1.55	.60	Kootenay Belle	1,200	.68	.70	.70	.70
10c	.05	.01	Lucky Jim	41,000	.02½	.02½	.02	.02½
No	.02	.00½	Mak Siccar	......	(.00½ bid .01 asked)			
10c	.70	.28	Metaline Mining	......	(.70 Sept. 27)			
1	.23	.21	McGillivray Creek	......	(... bid .23 asked)			
No	.03	.01	Minto Mines	15,000	.01½	.01½	.01½	.01½
50c	.04½	.02	Nicola	2,000	.02½	.02½	.02½	.02½
50c	.05	.01	Noble Five	5,000	.02	.02	.02	.02
1	.22	.10	Pacific Nickel	......	(... bid .13 asked)			
1	4.00	1.20	Pend Oreille	1,140	2.15	2.30	2.05	2.25
No	.00½	.00½	Pilot Gold	......	(.00½ bid ... asked)			
1	2.70	2.10	Pioneer Gold	220	2.25	2.27	2.25	2.25
50c	.04	.00½	Porter Idaho	7,000	.02½	.02½	.02½	.02½
No	.01½	.00½	Premier Border	......	(.00½ bid .01 asked)			
1	2.40	1.12	Premier Gold	5,800	1.32	1.40	1.25	1.36
No	1.45	.80	Privateer Mines	2,600	.93	.93	.92	.92
1	.04½	.02	Quatsino Copper	2,500	.03	.02½	.02½	.02½
50c	.01½	.01½	Red Hawk	......	(.01½ Feb. 11)			
1	.15½	.09	Relief Arlington	2,000	.10	.11	.10½	.10½
No	.60	.18	Reeves McDonald	100	.30	.30	.30	.30
1	.58	.22	Reno Gold	1,200	.53	.53	.52	.52
1	.02	.00½	Rufus Argenta	......	(.00½ bid .01 asked)			
1	.09	.02	Sally Mines	......	(... bid .06 asked)			
50c	.12	.04	Salmon Gold	......	(.03 bid .04 asked)			
50c	1.25	.91	Sheep Creek	2,100	1.17	1.20	1.16	1.20
1	1.85	.95	Silbak Premier	320	1.00	1.30	1.27	1.30
No	.02	.00½	Silvercrest	......	(.00½ bid .01 asked)			
1	.15	.08	Sunloch	......	(... bid .10 asked)			
50c	.27	.11½	Surf Inlet	3,000	.10	.11½	.11½	.11½
No	.06½	.02½	Taylor Bridge	......	(.03 bid .04 asked)			
No	.06½	.02½	Vidette Gold	......	(.04 bid ... asked)			
50c	.02½	.00½	Waverley Tangier	1,000	.00½	.00½	.00½	.00½
20c	.03½	.00½	Wellington	......	(.01 bid .02 asked)			
50c	.01½	.00½	Wesko	......	(.00½ bid .00½ asked)			
1	.09	.01½	Whitewater	9,500	.04½	.04½	.04	.04
No	.08	.03½	Ymir Yankee Girl	......	(.05 bid .06 asked)			

Oil Quotations

Par Val.	Range 1939 High	Low	Company	Sales	Close Dec. 4 (or last)	High for week	Low for week	Close Dec. 11
1	.30	.11	Alta. Pac. Cons.	90	.17	.15	.15	.15
1	.01	.00½	Amalgamated	7,500	.00½	.00½	.00½	.00½
No	1.52	.60	Anglo Canadian	3,300	.91	1.01	.91	.96
No	.16	.05	Anaconda	11,700	.05½	.07	.05½	.05½
No	.08	.04	Associated Oil	......	(.04 Oct. 19)			
No	.04	.01	Baltac	......	(.03 Nov. 9)			
No	.33	.14	Brown Oil	1,500	.17	.18	.17	.17
No	.19½	.06	Brit. Dominion	100	.13	.15	.15	.15
No	2.75	1.15	Calgary & Ed.	1,825	2.10	2.26	2.10	2.10
1	.64	.21	Calmont	2,100	.35	.41	.35	.40
No	.58	.26	Commoil	1,000	.35	.30	.30	.30
1	.36	.21½	Commonwealth	600	.24	.24	.24	.24
No	.68	.33	Dalhousie	40	.42	.40	.40	.40
No	.59	.24	Davies Pete	1,000	.27	.26	.26	.26
No	.12	.04½	East Crest	......	(.06½ Nov. 16)			
No	.26½	.18	Extension	2,300	.20	.21½	.21	.21½
25c	.13	.07	Firestone	......	(... bid .08½ asked)			
No	1.40	.55	Foothills	......	(.71 bid .80 asked)			
No	.17½	.02	Freehold	......	(... bid .02½ asked)			
25c	.13	.09	Foundation Pete	......	(.09 Nov. 23)			
No	.15½	.08½	Four Star	......	(.09½ bid ... asked)			
No	.21	.08½	Hargal	......	(... bid .20 asked)			
No	.35	.15	High Sarcee	900	.20	.18	.16	.18
No	3.75	1.22	Home Oil	5,290	2.42	2.79	2.42	2.75
No	.07½	.02	Madison	......	(.02½ bid .04 asked)			
No	.09	.02½	Marjon Oil	31,500	.03½	.04	.03½	.03½
No	.22½	.09	McD. Segur Ex.	6,300	.13	.13	.12½	.13
1	.22	.09	McLeod	......	(.12 Nov. 30)			
No	.13	.05½	Mercury	1,000	.06	.06	.06	.06
No	.07½	.03½	Mill City Pete	......	(.05½ Oct. 13)			
No	.10	.04½	Midwest Pete	......	(.10 Sept. 26)			
1	.49	.20	Model	200	.24	.26	.26	.26
25c	.11	.06	Monarch Royal	......	(.06 bid .08 asked)			
25c	.16½	.08	National Pete	1,000	.12½	.14	.14	.14
1	.12	.05	Nordon	......	(.06 Sept. 29)			
No	1.70	.66	Okalta	800	1.10	1.25	1.17	1.18
No	.12	.03	Pacalta Oil	1,000	.04½	.04½	.04½	.04½
1	.52	.30	Pacific Pete	2,100	.30	.32	.31	.32
25c	.24½	.17	Prairie Royal	4,400	.18	.20	.18½	.19½
No	.13½	.09	Royal Crest	3,000	.10½	.10	.10	.10
No	45.00	29.00	Royalite	7	33.50	35.00	35.00	35.00
No	.23½	.17	Royal Canadian	3,300	.17	.18½	.17½	.18½
No	.11½	.02	South End	11,500	.06	.07	.06½	.06½
No	.75	.25	Southwest Pete	400	.38	.45	.41	.41
1	.12	.04	Spooner	......	(.11 Sept. 26)			
25c	.41	.30	Sunset Oil	200	.35	.35	.35	.35
No	.16½	.06	United	4,000	.06	.08	.07½	.08
No	.13	.04½	Vanalta	5,000	.06	.06	.05	.05½
1	.90	.35	Vulcan	......	(.52 bid ... asked)			
No	.07½	.05	West Flank	......	(1.05 Aug. 12)			

Winnipeg Stocks

(Transactions from Dec. 4 to Dec. 9)

	Sales	High for period	Low for period	Close Dec. 9
Beaver Lumber, pref.	15	99.00	99.00	99.00
Crescent Creamery, pfd.	5	12.00	12.00	12.00
Central Manitoba	2,000	.04½	.04¼	.04¼
Dominion Envelope	86	6.00	6.00	6.00
Flin Flon	4,500	.02	.02	.02
Federal Grain, pref.	185	45.50	42.25	44.00
Great-West Life	4	230.00	230.00	230.00
Ore Grande	1,000	.04¼	.04¼	.04¼
Rand Malartic	1,000	.11	.11	.11
United Grain	4	8.50	8.50	8.50
West. Steel	5	8.00	8.00	8.00
Western Breweries	200	1.51	1.50	1.50
Western Life, 20% paid	10	15.00	15.00	15.00
Wingold	28,800	.06	.05½	.06

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Nor. Can. Mtg. p.	2.50	..
Beav. Lumber, c.	3	..	North. Trusts	6	..
Can. Indemnity	125	..	Reliance Gr., pf.	67	..
D. Envelope, pf.	87	..	Traders Bldg.	60	62
Fed. Grain, c.	..	3½	West. Grain, pf.	7	8½
Home Invest.	10	..			

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Dec. 12	21,300	30,400	373,000	40,338
Dec. 11	20,000	32,800	373,000	90,200
Dec. 9	12,300	8,900	244,000	27,750
Dec. 8	22,400	19,700	381,000	59,228
Dec. 7	46,500	37,200	512,000	78,276
Dec. 6	62,700	39,800	459,000	50,545

Government Bonds

Dec. 13, 1939 (Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask	Approx. Yld.
	Dominion of Canada Bonds			
1½	June '40	99⅞	100⅜	.80
4½	Sept. '40	102¼	106¼	.95
1	Mar. '41	99⅜	99⅞	1.11
5	Nov. '41	105⅝	106⅛	1.75
1½	May '42	99	99½	1.70
2	June '42	100¼	101	1.60
3	Oct. '42	102⅜	103¼	1.75
2½	June '43	101⅜	101⅞	1.95
5	Oct. '43	109	109½	2.42
2	June '44	99	99½	2.12
a2½	Jan. '44	94½	95½‡	3.51
4½	Oct. '44	108¼	109	2.53
2½	Nov. '44	100¼	101¼	2.24
a2½	Aug. '45	94	95‡	3.48
4	Oct. '45	104½	105	b2.64
4½	Feb. '46	108¼	109½	2.85
3½	June '49	99⅜	100⅛	b3.20
3½	Oct. '49	100⅜	100⅞	b3.30
3½	Nov. '51	98⅜	99¼	3.32
a5	May '52	103⅜	‡104⅜	b3.00
4	Oct. '52	104	104½	b3.35
3	June '55	94⅜	95½	3.40
4½	Nov. '56	106½	107½	b3.32
4½	Nov. '57	107½	108	b3.34
3	June '58	93⅜	94½	3.42
4½	Nov. '58	107⅜	108½	b3.42
4½	Nov. '59	108⅜	109½	b3.40
a4	Oct. '60	96½	87½‡	4.18
a3½	Jan. '61	88⅜	89⅜‡	3.97
3½	June '66	96⅜	97½	3.41
a3e	Jan. '67	84	85‡	3.90
a3e	Nov. '68	83½	84½‡	3.90
a3†	Perpet'l.	87⅜	88½	3.40
	Dominion Guaranteed Bonds			
	Can. Nat'l. Railways:			
2	Feb. '43	99½	100¼	1.91
2½	Jan. '46	96⅜	97⅜	2.65
3	May '44	102	103	2.28
3	Dec. '50	96½	97½	3.29
3	Feb. '53	95	96	3.37
3	Jan. '59	93	94	3.42
*4½	Sept. '51	111⅜	112⅜	3.21
*4½	Feb. '56	112½	113½	3.42
c4½	July '57	112½	113½	3.48
*4½	June '55	115¼	116¼	3.42
5	Feb. '54	115	116	3.57
*5	July '69	112⅜	113⅜	b2.81
*5	Oct. '69	116	117	b3.40
*5	Feb. '70	116	117	b3.45
	Provincial Gov't. Bonds			
	New Brunswick:			
3	Oct. '51	89½	91½	3.90
3½	Aug. '49	93	95	3.87
3½	June '56	92½	94½	3.95
c4	Nov. '47	99	101	b3.80
c4½	Apr. '61	103½	105½	4.11
c5	Jan. '60	108	110	4.25
	Nova Scotia:			
3	Jan. '52	92½	94½	3.55
3½	June '56	93½	95½	3.61
3½	Nov. '50	97½	99½	3.55
c4½	Sept. '52	106	108	b3.32
c4½	Nov. '60	107	109	3.87
c5	Mar. '60	112½	114½	3.96
	Ontario:			
2½	May '45	97½	99½	2.60
3	Apr. '48	96⅜	97⅜	3.30
3	Nov. '50	95⅜	96⅜	3.35
3½	Nov. '51	98½	99½	3.32
*4	June '62	104	106	3.61
4½	June '50	108½	109½	3.41
*4½	Jan. '62	111	113	3.64
5	Oct. '48	111½	112½	3.35
*5	Dec. '60	116½	118½	3.72
5½	July '46	111⅜	112⅜	3.32
	Ont. Hydro Commission:			
3	Aug. '48	96½	97½	3.33
3½	Feb. '53	97⅜	98⅜	3.37
3½	Apr. '47	100	101½	3.26
	Prince Edward Island:			
3	Oct. '45	97	99	3.19
	Quebec:			
3	Nov. '47	95	96	3.58
3	Nov. '51	93	94	3.62
3½	Mar. '48	96	97½	3.60
3½	June '52	94½	96	3.6
4	Mar. '52	100	102	3.8
4½	Aug. '58	103	105	3.8
4½	Jan. '63	106	108	3.9
	Alberta:			
4	Dec. '54	62	66	d
4½	Oct. '51	67	..	d
c4½	Oct. '56	63½	67½	d
*5	Oct. '59	64⅜	68⅜	d
c5½	Apr. '52	66½	70½	d
6	Mar. '47	70½	74½	d
	British Columbia:			
c4	Dec. '57	98	101	3.92
*4½	Jan. '51	101½	104½	4.02
c4½	Oct. '53	101½	104½	4.07
c5	Apr. '54	103⅜	106⅜	4.38
5½	Feb. '45	104	107	4.00
6	Feb. '47	106½	109½	4.44
	Manitoba:			
c4	Dec. '57	86½	90½	4.82
c4½	Dec. '56	90⅜	94⅜	4.96
*5	Dec. '59	96	100	5.00
5½	Oct. '55	97½	101½	5.38
6	Apr. '47	99⅜	103⅜	5.37
	Saskatchewan:			
4	Sept. '54	71½	75½	6.60
4	Nov. '60	70½	74½	6.18
c4½	Oct. '51	78	82	6.70
c4½	Mar. '60	74	78	6.48
5	Aug. '58	81	85	6.37
5½	Oct. '52	83½	87½	6.97
6	Mar. '52	87½	91½	7.03

*Payable Can., N.Y. & £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds.

Unlisted Stocks

December 12, 1939 (Furnished by A. J Pattison Jr. & Co., Toronto)

	Bid	Ask.
Industrials:		
Acme Farm., p.	16½	..
Andian National	34	36
Anglo C. Tel., A	8½	9
Atlas Steel	..	17
Do., pref.	103	107
Barrymore, pfd.	20	..
B. C. Pulp, c.	18	21
Do., pfd.	50	..
B. C. Sugar	92½	95
Burns & Co., A	8	8⅜
Do., B	5½	6
Canada Tea, pf.	22	24
Can. G'drich, c.	1½	..
C. I. L., A c.	244	..
Can. Ing. Rand	138	142
Can. Tube, 1st p.	68	72
Chase, A. W., p.	26	27
Claude Neon, p.	6½	7½
Cons. Sales B., p	..	75
Cope. Flour Unit	12½	..
Dom. Manuf., p.	60	65
Do., com.	4	..
Dunlop T., p. $25	22½	23½
Easy Wash. p $10	8½	9½
Goderich Elev.	9	9⅜
Guard. Realty, p	14	..
Guelph Carp., p.	101	103
Do., com.	13½	..
Hayes Steel, c.	22½	24
Do., pfd. $10	10½	11
Hi'land Dairy, p.	73	76
Do., com.	2½	..
Kingston Sh., un	18	20
Loblaw Inc., c.	11½	11½
Morrison Br. Un	4½	5½
M'row Screw, p.	99	..
Do., com.	9	..
Neilson, Wm., c	7½	..
Do., pfd.	104	..
N. B. Tel., c.	12½	13½
N. Meth. Ldy., p.	62	66
Office Spec., pfd	72	..
Ont. Tob., pfd.	20	23½
Paterson Wm., p	102½	104½
Prov. Paper, pfd	106	107½
Reliance Gr., pf.	70	..
Rob'tson P. L., p	92	..
Rob. Cons. Cone	8	8½
Ruddy, E. L., p.	27	30
Seal O Sac (Can)	3	4½
Stand. Fuel., c.	1½	..
Do., pref.	56	60
Stedman Br., pf.	56	58
Tor. Carpet, c.	19	22
Do., pfd.	54	56
Un. F. Co-op.	2½	2⅜
Un. Steel, A pf.	22	23
Viceroy, p. & rts	23½	25
Weston Hold.	..	6
Trusts & Loan Stocks:		
Brit. Mtge.	150	154
Com. Fin., c.	2⅜	3½
Guaranty Tr.	96	100
Guelph & C., $50	53	55½
Lambton Loan	31	34
London & West.	38½	40½
Sherbrooke Tr.	120	..
Sterling Trust	56½	..
Traders Fin., B c	13½	..
Do., A pfd.	82	85
Trusts & Guar.	27½	28½
Waterloo Trust	100	..
Insurance Stocks:		
Brit. Amer.	56	..
Canada Life	455	475
Confed., 30% pd.	150	153
Crown, fully pd.	285	..
Dominion Fire	135	..
D. of Can. Gen.	117	125
Empire, 25% pd.	5	6
Excelsior Life	57	60
Federal, 25% pd.	51	54
Great-West Life	220	230
Halifax Fire	22½	24
Imperial Life	295	305
Manufac. Life	223	..
Monarch 10% pd	22	24
Sov. L., 25% pd.	12	14
Sun Life	375	400
Tor. General	5½	6
Wellington Fire	58	62
Western Assce.	48	50
Theatre Stocks:		
Allens, Lond., p.	51	54
Do. St. Cath. p	53	56½
Do., Tor., p. c.	32½	36
Mansf. Theat., p	27	30
Para., Kitch., p.	52	54
Do., Oshawa, c	11	12
Investment Trust Shares:		
Can. Investors	6½	7
Deb. & Sec., pf.	65	..
Inv. Found. Unit	56½	..
Sec's. Hold., pf.	21½	..
United Corp., A	22	24
Do., B	10½	11½
Power Issues:		
Can. W. N. Gas	25	..
Do., pfd.	99½	101½
Int. Util., 1.75 p.	16	20
Do., 3.50 pfd.	33	37
Gt. Lakes Pr., p.	101½	103
Mtl. Is. Pwr., p.	21	24
Nor. Ont. Pr., p.	95	..

Unlisted Mines

Toronto, Dec. 12, 1939

	Bid	Ask
Addington	.05	.06
Albany R	.17	.19
Allied IS	.43	.45
Amalg K	.15	.15½
Amorada	..	.06
Anoki	.15½	.17
Arjon	.01½	.02½
Armistice	.01½	.02½
Argosy	.04½	.04⅜
Arno	.01	.02
Area	.03⅜	.04½
Athona	.02⅜	.03½
Barb Lar	.02	.02⅜
Beresford	.14	.16
Bilmac	.01½	.02½
Bounty	.24½	.25½
Brown C	..	.80
Buf Beard	.05½	.06½
Calder Bo	.01	.01½
Cana Rad	.12	.14
Central M	.03⅜	.04½
Cheminis	.05	.05½
Cocheno'r	.77	.79
Coin Lake	.06½	.07½
Crescent	.04½	.05
Crowshore	.05	.08
Dayton	..	.03½
Delnite	.98	1.03
Desants n	.17	.19
Dona Pat	.13	.15
Donwood	..	.04
Doreva Q	..	.14
Elmos	.02	.04
Franco	.53	.56
Frontier	.02½	.03
Galore	.03	.04
Gate Pat	.01	.02
Hallnor	7.25	8.00
Hiawa'a	..	.30
Hislop	.01	.02
Hoyle n	.27	.29
Hugh PaP	.04	.05
Hutch Lke	.01⅜	.02½
Jason	.40	.45
Keora	.03	.03½
Kenricia	.06½	.07½
Kewagama	.02½	.03½
Kiena	.11	.13
Kelrowe	.26	.30
Kirk Gate	.01½	.02½
Lacoma	.03	.03½
Lake Duf	.23½	.25
Lake Gen	.12	.14
Lardego	.03⅜	.04½
Magnet C	.73	.75
Magnet L	.14	.16
Martin Br	.03	.03½
Margaret	.11	.13
Mata Can	.04	.05
Mof Hal n	.01½	.02½
Mooshla	.06	.07
Mosher	.09	.10
Nat Mal	.35	.38
Negus	.70	.75
New Aug	.26	.29
N Ribago	.03⅜	.04
Nickel O	.70	.80
Norbeau	.33	.38
Norwin	.17	.18
Norlake	.01	.02
North Am Mol'm	.83	.88
Oklend	.13½	.14½
O'Leary	.02	.02⅜
Opemiska	.06	.07
Oriole	.02	.02⅜
Orpit	.04	.06
Ossian	.01½	.02½
Pascalis	.25	.30
Pontiac n	.28	.30
Phoenix	.07	.08
Pontiac (old)	.12	.14
Pelangio	.01½	.02½
Polaris	.40	.43
Propri'y	1.75	1.85
Presdor	.02⅜	.03½
Queb Man	.09½	.10
Rahn Lke	.27	.30
Rand Mal	.09½	.10½
Red Lake	.01⅜	.02½
Rhyolite	.01½	.02½
Rose Gold	.06	..
Sachigo	6.00	6.75
Shenango	.04	.05
Sheldon	.03	.05
Siscoe Ex	.02	.03
Skynner	.05	.06½
Spooner	.04	.05½
Stadacona	.10½	.11½
Sunbeam	.18	.20
Springer	.12	.14
Thomson	.21	.23
Union Min	.05½	.06½
Vermilata	.08	.12
Walker Pt	.03⅜	.04½
Wells LL	.14	..
West Red	.02	.03
Winoga cum rts	.04	.04⅜
Woco	.12	.14
Y David'n	.24	.25

Montreal, Dec. 12, 1939

	Bid	Ask
Beaucourt	..	.08
Cad Exp	.04	.05
Cont Kirk	.05	.06
Cournew	..	.30
Cuniptau	.02½	.03½
Dorval U	..	5.00
Fontana	..	.04
Landor	..	.11
L Rowan	.04	.05
Mar McN	.02½	.03
Plains P	.20	.30
Porc Lake	.02	.03
Obalski	.03	.04
Pan Can	.03½	.04½
Routh'r C	..	.03
Ribago N	.03½	.04
South M	..	.07
Valdor M	.60	.70
Warren'c	..	.03

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

December 12, 1939

Public Utility Issues:	Int. Rate %	Due	Bid Dec. 12	Asked	Bid Dec. 5
†Assoc. Tel & T.	5½	'55	81	85	82
Beauharnois P.	5	'73	99½	103½	99
B. C. Power	4½	'60	100	104	100½
B. C. Tel.	4½	'61	104	108	103½
†Calgary Pwr.	5	'60	103	107	104
Do.	5	'64	102	106	102½
†Can. Nor. Pwr.	5	'53	105½	109½	104½
*Dom. Gas & El.	6½	'45	97	101	98
Gatineau Pwr.	5	'49	103	107	102½
Do., A	3⅜	'69	96	100	96½
Gt. Lakes Pwr.	4½	'56	100½	104½	100½
*Int. Hydro-El.	6	'44	87	91	86
▲Inter. Power	6	'55	98	102	98
Macl'n-Que. Pr	4	'59	95	99	95
Mtl. L. H. & P.	3½	'56	98½	102½	98½
Do.	3½	'73	94	98	93½
†Mtl. Tramways	5	'41	94	98	94
†Do.	5	'55	67½	71½	68
Nat. Lt. & Pwr.	6	'49	98½	102½	98½
N. S. Lt. Pr.	5	'57	99	103	99
Ottawa H. & P.	4	'57	100	104	100
Ottawa V. Pwr.	5	'59	101½	105½	101½
†Power Corp.	4½	'59	99	103	99
Quebec Pwr.	4	'62	100½	104½	100½
*Saguenay P., A	4½	'66	103	107	103
Shaw. W. & Pr.	4	'61	98½	102½	98½
Union Gas	4½	'50	102	106	102
United Secs.	5½	'52	64½	68½	65
†Wpg. El., ser. A	4	'65	74½	78½	74
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	61	65	60
Acadia Sugar	4½	'55	99	103	99
†Alta. Pa. Grain	6	'46	97	101	96
Atlantic Sugar	4	'51	99	103	99
†B. C. P. & Pap.	6	'50	78½	82½	74½
*Brown Co.	5½	'46	51	55	51
Burns & Co.	5	'58	66	70	65
Canada Bread	6	'41	105	109	105
Canada Cement	4½	'51	102	106	102
Can. Paper	4½	'52	98	102	98
Can. Steamship	5	'57	90	94	89
Can. Canners	4	'51	101	105	101
*Can. Int. Paper	6	'49	98½	102½	98
†Candn. Vickers	6	'47	69	73	68
C. P. R.	3½	'51	84½	88½	85
Do.	4	'49	86½	90½	87
Do.	4½	'44	93½	97½	93
Do.	6	'42	101	105	100
†Consol. Paper	5½	'61	59	63	57
Dom. Coal	4½	'52	99	103	99½
▲Dom. Stl. & Co.	6½	'55	109	113	108
Dom. Tar	4½	'51	100½	104½	100½
†Donnacona P.	4½	'56	79	83	76½
Famous Players	4½	'51	98½	102½	99
†Federal Grain	6	'49	98	102	97½
†Fraser Cos.	6	'50	96	100	96
Gen. Stl. Wares	4½	'52	98	102	98½
*Great Lakes P.	5	'55	90½	94½	91
†Gypsum, Lime	5½	'48	98½	102½	99
Ham. By-Pr. C.	5	'55	100½	104½	101
Inter-City Bak.	5½	'48	101	105	101
*Inter. P., Nfld.	4½	'68	96	100	96
Lake St. J. P.	5½	'61	87	91	87½
†Maple Leaf M.	3	'58	74	78	73½
Massey-Harris	4½	'54	93	97	93
McColl-Fron.	4½	'49	100½	104½	100½
McCormick's	4	'52	89½	93½	89½
*M. & O. Paper	6	'45	46	50	45
Nat. Grocers	4	'47	101	105	101
N. S. Stl. & Co.	3½	'63	80½	84½	82
Price Bros.	5	'57	96	100	95½
*Prov. Paper	5½	'47	102	106	102
Reliance Grain	4½	'52	92½	96½	92½
†Restigouche Co.	6	'48	97½	101½	96½
Rolland Paper	4½	'51	101	105	101
Simpsons Ltd.	4½	'51	98½	102½	99
Smith, Howard	4½	'51	101½	105½	101½
†Steel of Can.	6	'40	111	115	111
*United Gas	5½	'48	102	106	102
United Gr., Grs.	5	'48	96½	100½	97
†Western Grain	6	'49	46½	50½	46½

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
▲Payable in Can. or U. K.
*Payable in U. S. only.

Investment Trusts

	Bid	Asked
Affiliated Fund	3.63	3.97
Can. Inv. Fund	4.05	4.45
Can. Amer. Trust	3.80	4.20
All Can. Trustee	12.50	13.25
Grouped Income	5.35	5.95
Trans-Canada Shs.	12.70	13.80

Mining Dividends

		Close Dec. 11	Yield %
Beattie Gold	15c	1.05	14.2
Bralorne	80c+40c	11.12	*10.8
Buffalo Ankerite	75c	7.65	9.8
Bulolo Gold	$3	24.00	12.5
Can. Malartic	9c	.72	12.5
Cariboo Gold	18½c+7½c	2.10	*12.4
Central Patricia	16c+5c	2.37	*8.8
Coniagas	25c	1.60	..
Coniaurum	16c	1.65	9.6
Cons. Smelters	$1+$1	47.75	*4.2
Dome Mines	$2	29.12	6.9
Falconbridge	30c	4.10	7.3
God's Lake	†5c	.63	..
Goldale	†2c	.18½	..
Gunnar Gold	6c	.48	12.5
Hard Rock	†4c	1.36	..
Hollinger	65c+45c	14.87	*7.3
Howey Gold	5c	.34	14.7
Hudson Bay	$1.75	31.50	5.5
Inter. Mining	45c	9.87	4.5
Inter. Nickel, com.	$2	45.50	4.4
Island Mountain	15c	.86	17.4
Kerr Lake	15c	.50	..
Kirkland Lake	8c+2c	1.38	*7.2
Kootenay Belle	16c+2c	.70	..
Lamaque Gold	40c+17c	7.10	*8
Lake Shore	$3.75	26.75	14
Leitch	8c	.85	9.4
Little Long Lac	30c	3.00	10
Macassa	20c+12½c	4.30	*7.5
McGillivray Coal	3c	.23	..
McKenzie Red L.	12c+2c	1.29	*10.8
McWatters	10c	.58	..
Moneta	12c	.91	13.2
McIntyre Porc.	$2+$1	55.00	*5.4
Nipissing	15c	1.20	12.4
Noranda	$4	77.00	5.2
North Empire	75c	9.50	7.9
O'Brien Gold	20c	1.51	13.2
Pamour Porc.	12c	2.04	5.9
Pato Cons.	20c	2.35	..
Paymaster	2c	.37½	..
Perron Gold	16c+4c	1.87	*10.7
Pioneer, B.C.	40c	2.25	17.7
Pickle Crow	40c	4.35	9.2
Placer Develop.	$1.20	13.00	9.2
Premier	12c	1.41	8.5
Preston E. Dome	†5c	2.11	..
Privateer Mine	20c+2c	.92	..
Powell Rouyn	†5c	1.92	..
Quebec Gold	†2c	.27	..
San Antonio	14c	2.19	6.4
Sheep Creek	16c+3c	1.18	*16.1
Silbak Prem.	16c	1.30	12.3
Siscoe	12c+1c	.75	*17.3
Sudbury Basin	5c	1.95	..
Sullivan Cons.	6c+1c	.75	*9.3
Sylvanite Gold	20c+5c	3.15	*7.9
Teck-Hughes	40c+3c	3.95	*10.9
Toburn	8c+8c	1.60	*10
Ventures	15c	4.35	3.4
Wright-Harg.	40c+30c	7.95	*8.8

*Yield including bonus. †Initial.

Public Utility Earnings

Jamaica Public Service
October

	1939 $	1938 $
Operating revenue	84,322	80,408
Gross inc. after retirement accruals	*25,882	26,079
Net income	*16,293	17,777
12 Months Ended Oct. 31		
Operating revenue	1,001,860	933,758
Gross inc. after retirement accruals	*322,912	†90,789
Net income	*221,015	†188,965

*After partial provision for additional income taxes for 1939 of approximately $3,800 which may result from a proposed amendment to the Jamaican Income Tax Law.

†Adjusted for increased 1938 Jamaican Income Tax.

Municipal Bonds

Dec. 12, 1939

†Halifax	5	1961	110.00	112.00	4.15
Hamilton	5	1950	110.60	112.60	3.55
Montreal	5	1945	99.50	101.00	4.78
Ottawa	4½	1945	105.65	107.65	3.00
†Quebec	5	1959	105.00	107.00	4.46
Saint John	5	1950	106.00	108.00	4.09
†Toronto	4½	1955	110.85	112.85	3.40
†Vancouver	5	1950	98.00	102.00	4.75
Winnipeg	5	1944	101.00	104.00	3.90

†Payable Can. and N.Y.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass, pf.	$1.75	Jan. 2	Dec. 15
Aluminium	$4	Dec. 15	Nov. 24
Asbestos Corp.	15c	Dec. 31	Dec. 15
Do., bonus	35c	Dec. 31	Dec. 15
Amer. Cyan., A, B	†15c	Jan. 2	Dec. 15
Do., extra	†*$1	Dec. 15	Dec. 1
Do., pref.	†12½c	Jan. 2	Dec. 15
Assoc. Brew.	20c	Dec. 22	Dec. 15
Do., extra	55c	Dec. 22	Dec. 15
Do., pref.	$1.75	Jan. 1	Dec. 15
Acme Glove, pf.	$3.25	Jan. 2	Dec. 20
Bathurst Pwr., A	25c	Dec. 20	Dec. 9
Bell Telephone	$2	Jan. 15	Dec. 23
Bralorne Mines	20c	Jan. 15	Dec. 30
Do., extra	10c	Jan. 15	Dec. 30
Brit. Amer. Oil	25c	Jan. 2	Dec. 16
Brazil. Traction, p.	$1.50	Jan. 2	Dec. 15
Burlington Steel	15c	Jan. 2	Dec. 15
Buff. Ankerite	12½c	Jan. 2	Dec. 15
Bright, T. G.	7½c	Dec. 15	Nov. 30
Do., pref.	$1.50	Dec. 15	Nov. 30
Belding-Cort.	$1	Jan. 2	Dec. 15
Do., pref.	$1.75	Jan. 2	Dec. 15
Bk. of N. Scotia	$3	Jan. 2	Dec. 16
Beatty Bros., 2nd p.	$3.50	Jan. 2	Dec. 15
Blue Top Brew., A	30c	Dec. 30	Dec. 15
Borden Co.	†50c	Dec. 20	Dec. 8
B. C. Power, A	50c	Jan. 15	Dec. 31
Building Prod.	17½c	Jan. 2	Dec. 15
Do., extra	10c	Jan. 2	Dec. 15
Brant. Cordage, pf.	32½c	Jan. 15	Dec. 20
Brit. Mtge. & Tr.	$4	Jan. 2	Dec. 15
Can. Cycle, pfd.	$1.25	Dec. 31	Dec. 15
Cent. Can. Loan	$2	Jan. 2	Dec. 15
Cent. Pat. Gold	4c	Jan. 2	Dec. 15
Do., extra	2c	Jan. 2	Dec. 15
Can. Breweries, pf.	50c	Jan. 2	Dec. 15
Cosmos Imp., pref.	$1.25	Jan. 15	Dec. 30
Can. Malartic	3c	Dec. 15	Nov. 28
Can. Cottons	$1	Jan. 2	Dec. 15
Do., pref.	$1.50	Jan. 2	Dec. 15
Can. Malting	37½c	Dec. 15	Nov. 30
Do., bonus	50c	Dec. 15	Nov. 30
Can. Gen. Elec.	$1.50	Jan. 1	Dec. 15
Celanese of Amer.	♦	Dec. 22	Nov. 17
Do., part. pf.	$3.50	Dec. 31	Dec. 15
Do., prior pfd.	$1.75	Jan. 1	Dec. 15
Cons. Std. Sec., 1 p.	37½c	Dec. 15	Nov. 30
Can. Perm. Mtge.	$2	Jan. 2	Dec. 15
Chart. Trust	$1	Jan. 2	Dec. 15
Do., extra	$1	Jan. 2	Dec. 15
Can. Bread, 1st pf.	$1.25	Jan. 2	Dec. 15
Do., B pref.	62½c	Jan. 2	Dec. 15
Do., arrears	37½c	Jan. 2	Dec. 15
Can. Tube & Stl., p.	$3	Dec. 15	Dec. 8
Can. North. Pwr.	30c	Jan. 25	Dec. 30
Do., pref.	$1.75	Jan. 15	Dec. 30
Canada Cement, p.	$1.25	Dec. 20	Nov. 30
Can. W. N. Gas, c.	$1	Dec. 15	Dec. 14
Can. West'ghouse	37½c	Jan. 2	Dec. 20
Cariboo Gold	4c	Jan. 2	Dec. 6
Do., bonus	2c	Jan. 2	Dec. 6
Canada Packers	75c	Jan. 2	Dec. 15
Can. Celanese	25c	Dec. 30	Dec. 15
Do., extra	$1.50	Dec. 30	Dec. 15
Do., pref.	$1.75	Dec. 30	Dec. 15
Do., inc. fd. rights	$1	Mar. 15	Dec. 31
Crow's Nest Coal	$1.50	Dec. 23	Dec. 1
Can. For. Inv., p.	$2	Jan. 1	Dec. 15
Confed. Life	$1.50	Dec. 31	Dec. 25
Can. Canners, pfd.	25c	Jan. 2	Dec. 15
Do., 2nd pfd.	15c	Jan. 2	Dec. 15
Canadian Oil, pf.	$2	Jan. 2	Dec. 20
Can. Wire. Box, A	37½c	Jan. 2	Dec. 15
Canada Bud	20c	Dec. 20	Dec. 14
Cons. Smelters	50c	Dec. 30	Dec. 9
Do., extra	$1	Dec. 30	Dec. 9
Comm. Alcohols, p.	10c	Jan. 15	Jan. 2
Cons. Bakeries	25c	Jan. 2	Dec. 16
Do., extra	25c	Jan. 2	Dec. 16
Carnation, 1st pf.	†$1.25	Jan. 2	Dec. 18
Coronation Rylts.	▲	Jan. 3	Dec. 20
Canada Trust	$5	Jan. 2	Dec. 15
Can. Light & Pr.	50c	Jan. 15	Dec. 26
Consumers' Gas	$2.50	Jan. 2	Dec. 15
Dom. Foundries, c.	25c	Jan. 2	Dec. 20
Debent. & Sec., p.	$5	Jan. 2	Dec. 23
Dom. Textile	$1.25	Jan. 2	Dec. 15
Do., pref.	$1.75	Jan. 15	Dec. 30
Dist. Seagram	55½c	Dec. 15	Dec. 1
Do., pref.	†$1.25	Feb. 1	Jan. 15
David & Frere, A	15c	Dec. 30	Dec. 15
Do., extra	10c	Dec. 30	Dec. 15
Do., bonus	25c	Dec. 30	Dec. 15
Dunlop Tire, c.	50c	Dec. 29	Dec. 15
Do., 1st pref.	62½c	Dec. 31	Dec. 15
Dom. Coal, pfd.	38c	Jan. 2	Dec. 15
Dom. Glass	$1.25	Jan. 2	Dec. 15
Do., pref.	$1.75	Jan. 2	Dec. 15
Electrolux	20c.	Dec. 15	Nov. 15
English Elec., A	62½c	Dec. 15	Dec. 6
East. Steel, pfd.	25c	Jan. 1	Dec. 15
Frontier Rylts.	•	Jan. 3	Dec. 20
Falconbridge N.	7½c	Dec. 29	Dec. 6
Fanny Farmer	†37½c	Dec. 20	Dec. 15
Do., extra	†25c	Dec. 20	Dec. 15
Famous Players	25c	Dec. 28	Dec. 18
Ford Motor, A, B,	25c	Dec. 16	Nov. 25
Gatineau Pwr.	20c	Dec. 30	Dec. 1
Do., extra	5c	Dec. 30	Dec. 1
Do., 5% pref.	$1.25	Jan. 1	Dec. 1
Do., 5½% pref.	$1.38	Jan. 1	Dec. 1
Gen. Steel W., pf.	$1.75	Dec. 15	Dec. 1
Group. Inc. Shs., A	9c	Nov. 30	Coup. 17
Goodyear Tire	63c	Jan. 2	Dec. 15
Do., pref.	62½c	Jan. 2	Dec. 15
Great-West Life	$3.75	Jan. 2	Dec. 20
Gt. W. Saddlery, 1 p.	$3	Dec. 27	Dec. 21
Greening Wire	15c	Jan. 2	Dec. 15
Gurd, Chas., c.	30c	Dec. 20	Dec. 13
Growers' Wine	5c	Dec. 15	Dec. 9
Harding Carpets	10c	Jan. 2	Dec. 18
Do., extra	5c	Jan. 2	Dec. 18
Hard Rock Gold	4c	Dec. 30	Dec. 16
Hinde & Dauch	12½c	Dec. 20	Dec. 11
Ham. Cotton, pf.	50c	Jan. 2	Dec. 15
Huron & E. Mtge.	1%	Jan. 2	Dec. 15
E. Smith Pap., pf.	$1.50	Jan. 15	Dec. 31
Ham. Un. Thea., p.	$1.50	Dec. 30	Nov. 30
Hart Battery	20c	Dec. 15	Nov. 30
Hollinger Cons.	5c	Dec. 30	Dec. 15
Do., extra	5c	Dec. 30	Dec. 15
Indust. Mtge.	$1	Jan. 2	Dec. 15
Inter. Mining	†15c	Dec. 22	Dec. 18
Inter. Power, pref.	$1.50	Jan. 2	Dec. 15
Inter. Nickel, pfd.	†$1.75	Feb. 1	Jan. 2
Do., com.	†50c	Dec. 30	Dec. 1
Island Mtn. M.	7c.	Dec. 15	Dec. 1
Imperial Tob., ord.	10c	Dec. 30	Dec. 8
Indust. Accept., A	50c	Dec. 30	Dec. 15
Do., pref.	$1.25	Dec. 30	Dec. 15
Inter. Paints, pf. A	$1	Dec. 21	Dec. 9
Do., arrears	25c	Dec. 21	Dec. 9
Int'l. Coal & Coke	1½c	Dec. 15	Dec. 9
Inv. Found., pf.	75c	Jan. 15	Dec. 30
Do., arrears	50c	Jan. 15	Dec. 30
Lake Shore M.	75c	Dec. 15	Dec. 1
Lava Cap G.	†4c	Dec. 20	Dec. 1
Louisiana Land	†5c	Dec. 15	Dec. 1
Lamaque Gold	10c	Jan. 1	Dec. 8
Landed Banking	$1	Jan. 2	Dec. 15
Lang, John A.	17½c	Jan. 2	Dec. 15
Loew's London, pf.	35c	Dec. 15	Dec. 11
Midland Loan	40c	Jan. 2	Dec. 15
Moneta Porc.	3c	Jan. 15	Dec. 30
Mtl. C. & D. Sav.	$3	Jan. 2	Dec. 15
Do., extra	$1	Jan. 2	Dec. 15
McColl-Front., pf.	$1.50	Jan. 15	Dec. 30
McManus Pete., p.	30c	Jan. 3	Dec. 26
Do., com.	30c	Jan. 3	Dec. 26
McIntyre Porc., extra	$1	Jan. 2	Nov. 1
Macassa Mines	5c	Dec. 15	Nov. 30
Do., extra	5c	Dec. 15	Nov. 30
McGillvray Coal	1½c	Dec. 15	Dec. 9
McK. Red. Lake	3c	Dec. 15	Dec. 1
Do., extra	2c	Dec. 15	Dec. 1
Montreal Loan	50c	Dec. 15	Nov. 30
McKin. Steel, p.	‡$1.75	Dec. 15	Nov. 30
Melchers, pref.	30c	Dec. 30	Dec. 15
Marcus Loew's, pf.	$1.75	Dec. 15	Dec. 2
Do., arrears	$1.75	Dec. 15	Dec. 2
Mitchell, J. S., p.	$1.75	Jan. 2	Dec. 15
Montreal Cottons	50c	Dec. 15	Nov. 30
Do., pref.	$1.75	Dec. 15	Nov. 30
Mod. Containers	20c	Jan. 2	Dec. 20
Do., pref.	$1.37½	Jan. 2	Dec. 20
Moore Corp.	40c	Jan. 2	Dec. 7
Do., extra	60c	Jan. 2	Dec. 7
Do., pref. A, B	$1.75	Jan. 2	Dec. 7
National Brew.	50c	Jan. 2	Dec. 15
Do., pref.	43c	Jan. 2	Dec. 15
Nat. Biscuit	40c	Dec. 15	Nov. 14
Nat. Grocers, pf.	37½c	Jan. 1	Dec. 15
Nat. Steel Car	50c	Jan. 15	Dec. 30
Niag. W. Weav.	35c	Jan. 2	Dec. 15
Noranda	$1	Dec. 15	Nov. 20
N. S. Light Pr., ord.	$1.50	Jan. 2	Dec. 16
National Trust	$2	Jan. 2	Dec. 20
Ogilvie Flour, c.	25c	Jan. 2	Dec. 18
Okalta Oils, pf.	▪$30	Dec. 21	Dec. 15
Ont. Loan & Deb.	$1.25	Jan. 2	Dec. 15
Ottawa L. Pr.	25c	Jan. 1	Dec. 6
Do., pref.	$1.25	Jan. 1	Dec. 6
Page-Hersey	$1	Jan. 2	Dec. 15
Do., extra	50c	Jan. 2	Dec. 15
Paymaster Cons.	1c	Jan. 5	Dec. 23
Para. Pictures, pf.	†$1.50	Dec. 26	Dec. 8
Do., 2nd pref.	†15c	Dec. 26	Dec. 8
Perron Gold	4c	Dec. 21	Dec. 1
Do., extra	3c	Dec. 21	Dec. 1
Pato Cons. Gold	10c	Dec. 20	Dec. 2
Power Corp., c.	30c	Dec. 21	Dec. 2
Power Corp., pfd.	$1.50	Jan. 15	Dec. 30
Do., 2nd pref.	75c	Jan. 15	Dec. 30
Paton Mfg.	50c	Dec. 15	Nov. 30
Do., pref.	$1.75	Dec. 15	Nov. 30
Pioneer Gold	10c	Jan. 2	Nov. 30
Pickle Crow	10c	Dec. 30	Dec. 15
Porto Rico, pf.	$1.75	Jan. 2	Dec. 15
Premier Gold	3c	Jan. 15	Dec. 18
Preston E. Dome	5c	Jan. 15	Jan. 5
Price Bros., 1st p.	$1.37½	Dec. 31	Dec. 19
Do., arrears	$1.37½	Dec. 31	Dec. 19
R. S. Mills, A	50c	Jan. 2	Dec. 15
Reliance Grain, p.	‡$3.25	Dec. 20	Dec. 9
Real Est. Loan	$1	Jan. 2	Dec. 15
Remington Rand, c.	20c	Jan. 2	Dec. 11
Do., pref.	$1.12½	Jan. 2	Dec. 11
Russell Ind.	$1.75	Dec. 30	Dec. 15
Do., pref.	$1.75	Dec. 30	Dec. 15
Simon & Sons	15c	Dec. 22	Dec. 7
Do., pref.	$1.75	Dec. 22	Dec. 7
Siscoe Gold	3c	Dec. 15	Nov. 25
Do., extra	1c	Dec. 15	Nov. 25
Sher.-Williams, p.	$1.75	Jan. 2	Dec. 15
Stand. Steel, p.	75c	Jan. 1	Dec. 15
Sylvanite G.	†5c	Dec. 30	Nov. 18
St. Law. Corp., A p.	‡$1	Dec. 15	Dec. 1
Supersilk H., pfd.	$2.50	Jan. 2	Dec. 15
Sunset Oils	*2½c	Dec. 15	Dec. 5
Sovereign Life	$1.25	Dec. 15	Dec. 1
South. Can. Pr., p.	$1.50	Jan. 15	Dec. 20
Do., com.	20c	Feb. 15	Jan. 31
Sangamo	25c	Dec. 20	Dec. 18
Do., extra	50c	Dec. 20	Dec. 18
Secd. Holding, pf.	65c	Jan. 2	Dec. 20
Sterling Trusts	$1.50	Jan. 2	Dec. 20
Supertest P., ord. c.	50c	Jan. 2	Dec. 15
Do., extra	50c	Jan. 2	Dec. 15
Do., pref. (B)	75c	Jan. 2	Dec. 15
Sun Life	$3.75	Jan. 1	Dec. 16
Stand. Fuel, p.	$1	Jan. 1	Dec. 15
Stedman, pref.	75c	Jan. 2	Dec. 20
Do., com.	15c	Jan. 2	Dec. 20

DIVIDEND NOTICES

The Royal Bank of Canada

ANNUAL MEETING

THE Annual General Meeting of the Shareholders of the Bank will be held at the Head Office, 360 St. James Street West, in the City of Montreal, on Thursday, the 11th day of January, 1940, at 11 o'clock a.m.

By order of the Board.

S. G. DOBSON,
General Manager.

Montreal, December 1, 1939.

The Bank of Toronto

ANNUAL MEETING

The Annual Meeting of the shareholders will be held at the Head Office of the Bank, King & Bay Streets, Toronto, on Wednesday, the Seventeenth day of January, 1940, the chair to be taken at noon.

F. H. MARSH,
General Manager.

DIVIDEND

CHARTERED TRUST AND EXECUTOR COMPANY

Notice is hereby given that a dividend of 1% for the current quarter, and 1% additional for the year ending December 31st, 1939, has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company, payable January 2nd, 1940, to Shareholders of record at the close of business December 15th, 1939.

By Order of the Board.

E. W. McNEILL,
Secretary.

Dated at Toronto,
November 16th, 1939.

The Sherwin-Williams Company of Canada, Limited

Notice is hereby given that the One Hundred and Seventh Quarterly Dividend of One and Three-quarters per cent (1¾%), being at the rate of Seven per cent (7%) per annum for the Quarter ending February 28, 1938, on the Preferred Stock of the Company, has been declared payable to Shareholders of record the 15th day of December, 1939, and that cheques will be mailed January 2, 1940.

Books not closed.

By Order of the Board,

P. W. HOLLINGWORTH,
Secretary-Treasurer.

Montreal, Que.
November 9, 1939.

Moneta Porcupine Mines Limited

(No Personal Liability)

DIVIDEND No. 6

NOTICE is hereby given that a dividend of three cents per share has been declared by the Directors of Moneta Porcupine Mines Limited (No Personal Liability) payable in Canadian funds on January 15th, 1940, to Shareholders of record December 30th, 1939.

By order of the Board.

H. B. CLEARIHUE,
Secretary-Treasurer.

Toronto, Ontario,
December 7th, 1939.

BRALORNE MINES

LIMITED

(Non-Personal Liability)

NOTICE is hereby given that a Quarterly Dividend of 20 cents per share and an Extra Dividend of 10 cents per share have been declared on the paid-up capital stock of the company, payable on the 15th day of January, 1940, to shareholders of record as of December 30th, 1939.

By order of the Board.

RONALD GRACE,
Secretary-Treasurer.

Vancouver, B.C.
December 4th, 1939.

POWER CORPORATION OF CANADA

LIMITED

The Board of Directors has declared this day the following dividends.

No Par Value Common Stock

No. 17, Interim, 30 cents per share payable December 21st, 1939, to holders of record at the close of business December 2nd, 1939.

6% First Cumulative Preferred Stock

No. 58, quarterly, $1.50 per share.

6% Non-Cumulative Participating Preferred Stock (par value $50)

No. 50, quarterly, 75c. per share.

Payable January 15th, 1940, to holders of record at close of business December 30th, 1939.

L. C. HASKELL, F.C.I.S.,
Secretary.

Montreal, November 24th, 1939.

The Canadian Light and Power Company

NOTICE is hereby given that a dividend of one-half of one per cent (½ of 1%) has been declared on the outstanding shares of the Company for the half year ending December 31, 1939, payable January 15, 1940, to shareholders of record December 26, 1939.

By Order of the Board.

H. G. BUDDEN,
Secretary.

Montreal, December 8, 1939.

Dividends Declared (Cont'd)

Thayers, pref.	$3.50	Jan. 1	Dec. 16
Toronto Mtge.	$1.50	Jan. 2	Dec. 15
Tamblyn	20c	Jan. 2	Dec. 14
Do., pref.	62½c	Jan. 2	Dec. 14
Tor. Gen. Trusts	$1	Jan. 2	Dec. 16
Teck-Hughes	10c	Jan. 1	Dec. 8
Traders Fin., A rts.	$1	Jan. 2	Dec. 15
Do., B rights	$1	Jan. 2	Dec. 15
Do., 6% pref.	$1.50	Jan. 2	Dec. 15
Do., 7% pref.	$1.75	Jan. 2	Dec. 15
Union Gas	20c	Dec. 15	Nov. 20
United Fuel, A pf.	75c	Jan. 2	Dec. 20
Viau, pref.	$1.25	Jan. 2	Dec. 20
Vulcan Oils	5c	Jan. 10	Dec. 20
Vulcan Br. Pet.	2½c	Dec. 21	Dec. 18
Walker-Good.	$1	Dec. 15	Nov. 24
Do., pref.	25c	Dec. 15	Nov. 24
West. Koot. Pr., p.	$1.75	Dec. 30	Dec. 20
Weston, Geo., c.	20c	Jan. 2	Dec. 15
West. Grocers	75c	Jan. 15	Dec. 20
Do., pref.	$1.75	Jan. 15	Dec. 20
Wilsil	25c	Jan. 2	Dec. 15
Wr.-Hargreaves	†10c	Jan. 2	Nov. 23
Do., extra	†5c	Jan. 2	Nov. 23
Do., interim	†10c	Jan. 15	Dec. 1

♦At rate of 1 sh. for each 40 shs. held. *Interim. ‡On arrears. †Payable in U. S. funds. *Paid in 5% cum. conv. pref. 2nd series. Fractional shares or script paid in cash. ▲Repayment of drilling loan; rate not yet stated. •Proceeds from production; rate not yet stated. ▪Capital distribution of $30 reduced par value from $60 to $30.

Robin Hood Co. To Build Mill

New Unit at Humberstone, Ont., to Cost $500,000 — To Be Raised Privately

From Our Own Correspondent

MONTREAL.—Robin Hood Flour Mills Ltd., wholly-owned subsidiary of International Milling Co., will undertake the establishment of a cereal and feed mill at Humberstone, Ont., in the Niagara Peninsula, with a capacity in the neighborhood of 2,000 barrels a day. The new unit will cost $500,000, all of which will be raised privately.

This mill, which represents one of the most important developments in the Canadian milling trade for some years, will not replace any existing units of Robin Hood Flour Mills. It has been decided by the management to go ahead and erect it in order to take care of an increasing volume of business.

At present the company's productive facilities are not well situated geographically to take care of the Eastern Canada and export trade. The new Humberstone mill, therefore, has been designed specifically to take care of such requirements.

Put Capacity to 11,000 Bbls.

Robin Hood's mills are located in Calgary, Moose Jaw and Saskatoon. With the Humberstone unit the company will have a daily mill capacity of 11,000 barrels of flour and around 1,500 barrels of cereals.

Capital for the new mill will most likely be advanced by the parent company, International Milling Co., which may take up the additional second preferred stock recently created by Robin Hood Flour Mills. The latter has increased its authorized second preferred from 250,000 to 600,000 shars of $1 par value each. It is provided in the letters patent that the additional 350,000 shares may be issued from time to time at a price not exceeding $3,690,000. However the selling price of the stock may be increased with the necessary authorizations.

STRIKE AT BRANTFORD PLANT

Efforts to settle the strike of employees of the Watson Manufacturing Co., Brantford, have not yet been successful.

The Watson Manufacturing Co. is a subsidiary of Penmans Ltd.

DIVIDEND NOTICES

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 326
EXTRA DIVIDEND NUMBER 59

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 30th day of December, 1939, to shareholders of record at the close of business on the 15th day of December, 1939.

Dated the 9th day of December, 1939.

I. McIVOR,
Assistant-Treasurer.

Central Patricia Gold Mines Limited

DIVIDEND No. 14
EXTRA DIVIDEND No. 6

A dividend of 4c per share, and an extra dividend of 2c per share, making 6c per share in all, have been declared by the Directors on the capital stock of the company, payable the second day of January, 1940, to shareholders of record at the close of business on the fifteenth day of December, 1939.

Dated at Toronto this 9th day of December, 1939.

ALAN COCKERAM,
Secretary-Treasurer.

Acme Glove Works Limited

DIVIDEND NOTICE

A dividend of Three and One Quarter Per Cent (3¼%) has been declared upon the 6½% Cumulative Preferred Shares of Capital Stock of this Company, to be paid on the second day of January, 1940, to shareholders of record at the close of business on December 20th, 1939.

By Order of the Board,

C. H. DAWSON,
Secretary.

Montreal,
December 6th, 1939.

BRITISH COLUMBIA POWER CORPORATION, LIMITED

DIVIDEND No. 46

NOTICE is hereby given that a dividend of Fifty cents (50c) per Share on Class "A" Shares has been declared for the three months ending December 30th, 1939, payable by cheque dated January 15th, 1940, to shareholders as of record at the close of business on December 30th, 1939. Such cheque will be mailed on January 13th, 1940, by the Montreal Trust Company from Vancouver.

By Order of the Board,

ERNEST ROGERS,
Secretary.

Vancouver, B.C.
December 7th, 1940.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.50 per share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

2nd January, 1940,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By Order of the Board.

WALTER GILLESPIE,
Manager.

7th December, 1939.

Sun Life Assurance Company of Canada

Head Office: Montreal
Stock Transfer Department

Notice is hereby given that a dividend of three dollars seventy-five cents ($3.75) per share on the capital stock of the Company has been declared for the quarter ending December 31st, 1939, and will be paid on January 1st, 1940, to shareholders of record at the close of business on December 16th, 1939.

The stock transfer books of the Company will be closed from December 17th to December 31st, both dates inclusive, for the preparation of the above dividend.

By Order of the Board,

F. J. CUNNINGHAM,
Secretary.

Flour Exports Take Big Jump

Canadian flour exports took a big jump last month. Total, up almost 100,000 barrels over October, was the highest for any November in over five years. Price of $3.22 per barrel, however, was the lowest in this period though above the average of $3.01 for the balance of the year.

For the 12 months ending November total flour shipments have been slightly over 4.8 million against almost 3.9 a year in 1938 and 4.2 in 1937.

FLOUR EXPORTS

	Bbls. (000's omitted)	Value $	Price per Bbl. $
Month of November			
1939	572	1,847	3.22
1938	478	1,560	3.26
1937	406	2,431	5.98
1936	408	1,939	4.74
1935	525	2,218	4.22
12 Months Ended Nov.			
1939	4,805	14,496	3.01
1938	3,884	18,448	4.74
1937	4,225	24,269	5.74
1936	4,819	20,143	4.18
1935	4,778	18,432	3.85
1935	4,779	18,432	3.85

Probe Shipping At Vancouver

From Our Own Correspondent

VANCOUVER.—Believing that the coast grain trade is being stifled by a situation that cannot be explained by war conditions, British Columbia's Government is making an investigation into the business with a view to making representations to the Board of Grain Commissioners and the Ottawa administration.

The nature of the provincial Government's argument has not been revealed, but it will be based on a study that has been carried on for several months by G. Neil Perry, who took charge of the statistical wing of the government's activities when Dr. W. A. Carrothers, formerly economic adviser to the Patullo Government, was made chairman of the public utilities commission.

Vancouver grain men themselves are not disturbed by the situation that has materialized this winter. They realized that owing to the demand for shipping in other spheres and the desirability of having wheat in position to export over the shortest possible route would severely reduce Pacific shipments.

Consequently they were not surprised when the wheat failed to move westward in anything like the volume of last season when a total of more than 40 million bushels passed through Vancouver alone.

Dominion Coal Co. Watches Ottawa Action

From Our Own Correspondent

MONTREAL. — Federal subventions on coal moving from the Maritime Provinces to central Canada will be reduced somewhat as result of an Order-in-Council passed recently, according to a statement issued by the Hon. P. J. A. Cardin, acting Minister of Mines and Resources. He said the reductions were deemed advisable, first because of the necessity of stricter economy to meet increasing war costs and, secondly, because war conditions render reduction possible without probable prejudice to production or employment in coal areas. Competitive coal from United States higher; has risen in price due to premium on U. S. funds.

At the moment it is not possible to be definite as to the effect of the new subventions on operations of Dominion Coal Co. Enquiry at the head office elicited the information that lowering of the subvention is not expected to affect operations, but much will depend upon competitive conditions.

DIVIDEND NOTICES

PRESTON EAST DOME MINES LIMITED

(No Personal Liability)

DIVIDEND No. 1

NOTICE is hereby given that a dividend of five cents per share has been declared by the Directors of Preston East Dome Mines Limited (No Personal Liability) payable in Canadian Funds on January 15th, 1940, to Shareholders of record January 5th, 1940.

By order of the Board.

L. I. HALL,
Secretary.

Toronto, Ontario,
December 11, 1939.

Hard Rock Gold Mines, Limited

(No Personal Liability)

DIVIDEND NO. 1

NOTICE IS HEREBY GIVEN that an interim Dividend of Four per cent (i.e. 4c per share) on the outstanding Capital Stock of the Company has been declared payable December 30th, 1939, to Shareholders of record at the close of business December 16th, 1939.

The Canadian 5% tax will be deducted from Dividends paid to non-residents.

BY ORDER OF THE BOARD.

W. S. WALTON,
Secretary.

TORONTO, December 8th, 1939.

Investment Foundation Limited

PREFERRED DIVIDEND No. 43

NOTICE is hereby given that a Dividend of 75 cents per share (being at the rate of 6% per annum) and a further dividend of 50 cents per share on Account of Arrears of Preferred Dividends accrued, have been declared on the Cumulative Convertible Preferred Stock of this Company, for the Quarter ending December 31, 1939, payable January 15, 1940, to shareholders of record December 30, 1939.

By Order of the Board,

R. M. BROWN,
Secretary-Treasurer.

WESTERN GROCERS LIMITED

NOTICE OF DIVIDENDS

Notice is hereby given that the following dividends have been declared:

On the Preference Shares, 1¾% for the current quarter, payable January 15th, 1940, to shareholders of record December 20th, 1939.

On the Common Shares, 75c per share, payable January 15th, 1940, to shareholders of record December 20th, 1939.

By Order of the Board.

W. P. RILEY,
President.

Week in Wheat

Market Digesting Recent Sharp Gain

Observers Say Crop Damage in United States and the Argentine Now Fairly Well Discounted — Look For New Market Moves Elsewhere

From Our Own Correspondent

WINNIPEG.—The wheat market appears to be digesting recent gains. For the time being crop developments in United States and the Argentine seem to have exhausted most of their bullish effect.

It is now definitely known that the United States winter wheat crop is going to be poor, that the total crop will not likely come near domestic demand, with a resulting inroad on reserves. It is also known that the Argentine crop is turning out badly and that year-end carryover in that country will not be nearly as large as anticipated.

Further developments during the winter can hardly alter these two situations materially, therefore observers are expecting the next market move to originate elsewhere or wait for spring weather.

Heavy Exports a Factor

Gradual consumption of supplies and the shipping of export surpluses from Canada must be looked to as the important influences during the next few months. Market observers expect reports of increasingly heavy transatlantic shipments of Canadian wheat in the near future.

They are also expecting evidence that the price advance has been fully accepted by the British wheat purchasing authorities. General opinion appears to be that heavy British buying supported the early part of the recent price advance, but that buying in evidence as prices reached present levels came largely from other sources. Neutral purchases during the period in question were heavy, while a limited amount of investment buying came into the market.

* * *

Ocean Rates Controlled

Freight rates in British bottoms continue to be under control, and movement of ships also. But rates on neutral ships have been rising rapidly of late, both on that account and because they find it necessary to take advantage of shipping space when it is available. Price advances in the Winnipeg market do not appear to have worried neutral buyers. When they want wheat, and are also able to arrange shipping space, they are prepared to pay the going price.

* * *

Doubt British Deal

There are occasional rumors of a large scale deal between the Canadian and British authorities. Best informed opinion, however, does not anticipate such a deal in the near future. It is assumed rather that the Canadian wheat board will supply wheat in sufficient quantity to take care of the British buying that comes into the market from time to time at whatever is the going level of prices.

In the intervals of large scale buying on behalf of Great Britain and corresponding large scale offerings by the Canadian authorities, market levels are largely determined by neutral buying and the offering of non-board wheat by western farmers. Such wheat as is now delivered by western farmers is mainly sold on the open market, very little going to the Wheat Board.

* * *

Strengthening Factors

This represents a technical strengthening of the market structure, and so also does the fact that physical ownership of a great volume of wheat has passed out of the hands of the Wheat Board and into the exporting and forwarding trade.

All of the wheat east of Port Arthur is understood to be in that position, with forward sales contracts held against some of it, and hedges in the Winnipeg market against probably the greater portion.

United States, Argentine, Australian and Canadian markets are all tied together with respect to price movements, in spite of the fact that United States prices are very much above Canadian and Australian and Argentine prices much below. U. S. market advances are held down by the possibility of imports of wheat from other countries over the 42 cents a bushel duty. In spite of the scarcity of shipping which makes unlikely large scale movement of Argentine or Australian wheat to Great Britain, there is the possibility of such wheat being moved to New York in otherwise idle American vessels. There it might be sold for import into the United States, or transshipped to Allied vessels for the transatlantic movement.

Movement of Argentine wheat to Antwerp and other continental ports in neutral ships under high freight and insurance also provides a competitive relationship for Canadian wheat.

Ocean freights have been advancing in recent weeks, a fact which increases the competitive differential in favor of Canadian wheat against that from southern hemisphere countries.

Commodity Prices

Evidently indicating a rise in commodity prices in coming months commodity futures markets have recently shown a strong upward trend. This is reflected in a rise of over two points in Dow Jones future commodity price index to 59.59, from 57.56 previously.

In the agricultural group prospects of better export business have resulted in an advance in wheat.

Buying of manufacturing materials, on the other hand, has not yet been resumed in any volume since buyers laid in heavy stocks in the first weeks of the war. Consequently prices on this group have remained irregular.

	Latest week	Previous week	Same week last yr.
Cattle	$7.50	$7.75	$7.00
Hogs	9.50	9.25	9.00
Copper, lb.	.13	.13	.11¼
Cotton, lb.	.1069	.1028	.0868
Rubber, lb.	.1997	.2012	.1611
Sugar, raw, lb.	.0295	.0295	.0283
Silk, lb.	3.62	3.44½	1.79
Wheat, Man. (bu.)	.79⅝	.76¾	.62
Coffee, lb.	.05¼	.05¼	.05⅝
Hides	.14½	.14	.11
Weekly Indices			
Canada (D.B.S.)	80.2	79.9	73.4
Do., Wood, Gundy	86.9	86.5	55.1
U. S. Labor	78.8	79.0	77.4
Dow Jones (future)	59.59	57.56	47.54
Fishers'	84.9	84.7	79.8
Monthly Indices			
Canada (D.B.S.):			
Retail (Nov.)	85.0	84.7	83.8
W'sale (Oct.)	79.3	78.2	74.1
U. S. (Sept.)	79.1	75.0	78.3
Gt. Brit. (Sept.)	105.2	98.1	98.4

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper — electrolytic, New York. Silk — Crack db., 13-15 New York. Sugar — 96 degrees centrifugal c/f New York. Wheat — No. 1 Man. North., Ft. W.-Pt. A. basis. Hides — No. 1 packer light.

Tobacco Combine Appeal Refused in Alberta

Alberta appeal court has dismissed the appeal of tobacco firms against the judgment of Mr. Justice Ewing who had refused to quash combine charges against the firms involved. The appeal court ruled that the trial judge had no jurisdiction in referring the case to the appeal court.

Lionel Forsyth, K.C., counsel for certain of the tobacco firms named in the original combine charges, is making an application for hearing of additional particulars in Calgary courts. The case is expected to be heard in January.

Western Canada Gives Extra Security to Bank

Preferred shareholders of Western Canada Flour Mills have approved advancement of further security in the form of a general debenture to the bank, in connection with loans to the company.

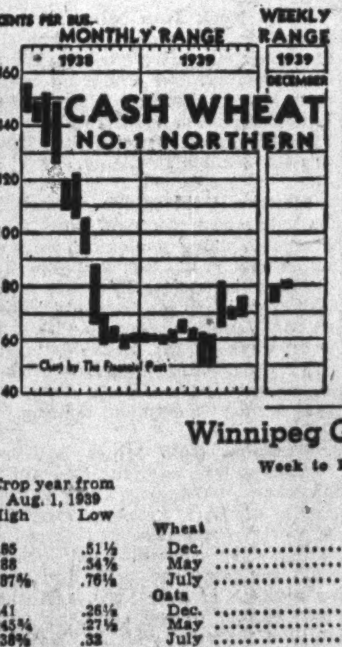
The debentures will bear no interest, but are additional security for loans on which interest is already being paid.

A third representative of the preferred shareholders will be added to the board of directors in the near future.

SANGAMO PAYS EXTRA

An extra dividend of 50 cents a share has been declared by Sangamo Company on its common stock. Payment will be made, along with regular quarterly dividend of same amount, on Dec. 20, 1939, to shareholders of record Dec. 18. This will bring total dividends for this year to $1.50 a share, a new high record for the present stock.

Wheat Prices



	For Week Dec. 12 High	For Week Dec. 12 Low	Prev. Week High	Prev. Week Low
1 Hard	.81⅛	.79⅝	.79½	.74½
1 Northern	.81⅛	.79⅝	.79½	.74½
2 Northern	.79⅝	.77⅝	.77½	.72⅛
3 Northern	.75⅝	.72⅝	.73⅛	.70⅛
4 Northern	.73⅝	.70⅝	.71	.68⅝
5 Wheat	.68⅛	.65⅝	.66¾	.64⅛
6 Wheat	.63	.60⅝	.61¼	.59
Feed Wheat	.62	.59⅝	.60¼	.58

Winnipeg Grain Futures

Week to Dec. 12, 1939

Crop year from Aug. 1, 1939 High	Low		Open Dec. 6	High for week	Low for week	Close Dec. 12	Close year ago
		Wheat					
.85	.51½	Dec.	.79¼	.82½	.78¾	.80¾	.61¾
.88	.54⅞	May	.84	.86⅝	.83	.84⅞	.64
.87⅝	.76⅛	July	.85¼	.87⅝	.84¼	.86	.64⅜
		Oats					
.41	.26⅛	Dec.	.36⅛	.37¾	.35⅜	.36⅝	.28⅛
.45⅝	.27⅛	May	.37⅝	.38⅝	.36⅛	.36⅝	.29¼
.38⅝	.32	July	.37⅛	.38⅝	.36⅛	.36⅛	.28⅝
		Barley					
.49⅝	.32⅝	Dec.	.46⅝	.49⅛	.46⅝	.48	.37⅝
.51⅝	.33⅝	May	.49	.51⅝	.48⅝	.49⅝	.38⅝
.51⅝	.44	July	.49	.51⅝	.48⅝	.49	.37⅝
		Flax					
1.79⅝	1.23⅝	Dec.	1.71½	1.79⅝	1.67¾	1.68	1.47¼
1.83⅝	1.49	May	1.75¾	1.83⅝	1.71⅝	1.72	1.42
1.81½	1.64½	July	1.74⅝	1.81½	1.70	1.71	...
		Rye					
.71¼	.37½	Dec.	.65⅝	.71½	.65⅝	.68½	.40⅝
.72⅝	.40	May	.67¼	.72¾	.67¼	.71	.42⅛
.73	.37⅝	July	.67⅝	.73	.67⅝	.70⅝	.42½

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Week in Mining

Starting Real Drive on Mine Tax Wrongs

Both 32B and Excess Profits Iniquities to Be Forced on Ottawa's Attention—Don't Ask Less Tax, Only Fair Distribution and Predictability

Canadian mining interests are so fed up with various aspects of the tax situation that they are now making a resolute attempt to get something done about it. They don't complain that the mining industry is paying too much in taxes. It is simply that present taxes weigh unfairly and are unpredictable.

The 32B clause brought a burst of opposition when it was applied over a year ago. In the special war budget of this year, along came the Excess Profits Tax. Both, in practice, prove thoroughly bad forms of tax.

Ontario prospectors held a special meeting to protest against securities legislation, which is blamed for holding back the development of prospects and to add their voice to the attack on tax legislation.

Bull By the Horns

Various mining interests have been discussing amendments to the Excess Profits Tax which, certainly as it applies to mining, has been abundantly proved clumsy and inequitable.

This week the Toronto Branch of the Canadian Institute of Mining and Metallurgy seized the bull by the horns, called a special meeting and started a concerted effort to get 32B fixed up at the same time as the Excess Profits problem.

Walter Segsworth, Walter Woods and others did a lot of work collecting information to show Ottawa concrete examples of why the tax is bad. Prospecting and mining syndicates are doing reasonably well when one single property out of hundreds tested proves a winner. Yet that single winner has to pay perhaps 30% of the profits in taxes and, with excess profits tax, perhaps another 30% more. It is only the possibility of big profits on one property that pays for the hundreds of thousands of dollars spent on the duds; that keeps the vital work of mine development going.

* * *

Let Ottawa Stretch

The 32B problem has been underground for some months. Mining companies, generally, have found through the discretionary powers of officialdom that they have been able to make fairly satisfactory settlements. But such settlements are unpredictable. There is no assurance that one company gets the same treatment as another. They take a lot of time and discussion.

This is not the kind of taxation that commends itself to Britishers. Let Ottawa stretch itself slightly and get this whole situation cleaned up. Mining isn't asking for less taxes; just efficient, fair and predictable taxes.

* * *

In Spite of—Not Because

Hon. Edgar Rochette, Quebec's new minister of mines, and Premier Gobbout have made a good start by pledging that they will repeal the disturbing Bill 5 of the Quebec mining law. This, was the regulation which forced all mining companies operating in Quebec to incorporate in the same province. One avowed aim was to stimulate the interest of Quebeckers in mining. Main result was to make that province unpopular with many of the largest and most aggressive Canadian mining operators. The very fine growth of Quebec mining in the past couple of years came in spite of Bill 5, not because of it.

* * *

Prospectors Meet

An overflow meeting of members of the Ontario Prospectors' Association was held in Toronto early this week at which the Ontario Securities Commission came in for a large measure of criticism. A resolution drawn up, directed at the Ontario Government, reads in part:

"That the Ontario Prospectors' Association, 1,200 members, express themselves that the search for new mines to replace old ones is suffering the most serious decline in experience because of the rules and regulations of the Ontario Securities Commission. The act . . . has placed shackles around mining that are without limitation."

Appeal is made for return of direct jurisdiction of the Attorney-General's Department retaining full public protection and complete filing information.

Two More

Two more Canadian mines started paying dividends last week. Preston East Dome and Hard Rock both stepped into this honored class.

Preston East Dome dividend was five cents a share, paid Jan. 15, 1940, to shareholders of record Jan. 5, a total payment of $150,000. It will follow closely redemption of the company's $427,500 of bonds at 103 on Jan. 1, 1940. Milling operations were commenced last March 1.

Hard Rock Gold Mines distributes four cents a share Dec. 30, to shareholders of record Dec. 16; the first distribution since milling started Jan. 1, 1938. Production and profits should now be running much higher than in the first part of the year as the company has its new roaster in operation. This roaster can handle not only the current output of concentrates, containing a large portion of the gold output, but a portion of the concentrates accumulated before roasting facilities were available.

* * *

Who Loses?

The striking miners of Saskatchewan coal fields claim to have made a "patriotic gesture" in announcing the withdrawal of the two unions, the C.I.O. United Mine Workers and the Canadian Federation of Labor from the field for the duration of the war and for one year after.

The producers, however, had work tied up for seven weeks during the period of heaviest demand, victims of a union squabble in which each union wanted to dominate the field.

The settlement which the unions claim to have accepted is for formation of a "neutral union," with the other two unions suspending operations during the war.

Nothing so loses the sympathy of responsible people as a union fight in which everybody but paid union officials are losers.

Public Offering Of Franco Oils

Total of 450,000 Shares Offered By W. C. Pitfield & Co.—Part Underwritten

From Our Own Correspondent

MONTREAL.—W. C. Pitfield & Co., are making a public offering of 450,000 common shares of Franco Oils Ltd. Of this number, 50,000 shares have been firmly underwritten by W. C. Pitfield & Co. at 50 cents a share, with the remainder under option.

Prices to be paid under the option are as follows: 60 cents a share on the first 50,000 shares taken up; rising 5 cents a share on each succeeding block of 50,000 shares, and $1 a share on the last 100,000 shares. Options must be exercised by Oct. 3, 1940.

The agreement provides that if underwriters receive more than $363,750 for 50,000 shares underwritten and the first 300,000 shares optioned they are to pay over 90% of the excess.

Estimated net proceeds to the company to be derived from the issue of the 450,000 shares if they are all taken up and paid for will not be less than $325,375.

Natural Gas and Crude Oil

Franco Oils is engaged in the development of potential and proved natural gas and crude oil bearing structures in Alberta and Saskatchewan. The company acts as both a holding and operating company in Alberta, but only as a holding company in Saskatchewan. Its operations in the latter province are conducted through subsidiary and affiliated companies.

Balance sheet as at Sept. 30, 1939, shows about $124,000 working capital.

Authorized capital consists of 2,500,000 no par value shares, of which 1,768,564 shares have been issued. Of the issued shares, 1,639,224 have been fully paid-up. The balance of 129,340 shares are not paid-up and $104,535 is owing on them.

Gold Fields Mill Is Turning Over

D Ore Body Probably Most Important — Larger But Lower Grade Than the A

Turning over the new 300-ton mill of Malartic Gold Fields has been started. Regular milling operations should be proceeding at any time.

The principal work completed during November was the sinking of the shaft a further 146.5 ft. and the establishing of a new level at 575-ft. depth.

D Body Proves Large

The D ore body which is 80 to 100 ft. north of the A ore body has now been intersected in 15 drill holes showing a length in excess of 500 ft. and a width of 20 ft. This is stated to indicate 900 tons of ore per vertical foot down to a depth of 425 ft. Average value is given at $7 a ton.

The ore body is still open to the west, the most westerly ore section being 31 ft. of $12.95 ore. Mr. Norrie, the general manager, states this is probably the most important ore body found to date. It is larger and somewhat lower grade than the A ore shoot.

During November, 186 ft. of drifting was completed of which 12% was in ore. Of 156 ft. of raising, 80% was in ore.

Defer Mill Step At San Antonio

Await Ore Proving — Great Ore Length Disclosed for 38 Vein

From Our Own Correspondent

WINNIPEG. — Though general opinion seems to be that San Antonio will shortly commence the enlargement of its mill capacity to 500 tons or more per day, there is no official intimation as to when this is likely to happen.

J. D. Perrin, president of the company has always maintained that it would be wiser for the company to await more complete information as to its ore position in the lower horizons. And at the last annual meeting of the company it was announced the principal operation of 1939 would be sinking of a winze to below the 2,000-ft. level, probably 2,250 ft.

This work is well along and coincidentally a good deal of other underground development has taken place, all of which has confirmed earlier impressions that San Antonio ore conditions were such as to anticipate great depth.

In the meantime the 38 vein on the tenth level has lengthened out to better than 2,100 ft. of approximately the same width as on the ninth level, 10 to 12 ft. and of about the same grade, $12 to $13 per ton. The 16-vein—one of the veins found on the surface, shows uninterrupted continuity to at least the tenth level in depth, and probably much deeper. Two conditions are thus exposed—great length as in the 38 and continuity as in the 16.

While undoubtedly there will be some pushing on the part of shareholders to get the management to enlarge production — and presumably profits—there is little likelihood the management will allow itself to be stampeded into any such action until fully convinced the mine will prove capable of carrying the larger mill for an indefinite period.

Lacoma Gets Finances For New Exploration

Inspiration Mining and Development Co., another mining company, a Toronto brokerage firm and Haras Corporation have completed a deal for financing Lacoma Gold Mine. While details have not been released it is understood approximately 1.2 million shares remaining in the treasury have all been sold. Funds will be sufficient for a new development programme.

An examination of Lacoma was made recently by J. P. Norrie. When a favorable report was received from Mr. Norrie, the financing interests completed the agreement with the company. In previous work, a shaft was sunk 270 ft. on the company's property in Tavernier and Jurie twps., Que. Only a limited amount of drifting has so far been completed.

Mining Concentrates

Arntfield Gold Mines expects to receive a loan from Pennaque Mining Corp. for underground and diamond drilling exploration. Pennaque Mining Corp., which controls Arntfield, has granted an option on 250,000 of its Arntfield shares to N. Ross Davis, Toronto, at 10 cents a share. Option is valid until Jan. 31, 1940, if 50,000 shares are taken down by Dec. 15, 1939 and 50,000 additional by Dec. 30, 1939.

Proceeds from sale of these shares is the money to be loaned Arntfield. After Arntfield's authorized capital is increased, Pennaque will subscribe for sufficient shares at 10 cents to cover the loan made to Arntfield.

* * *

Brunne & Copper Lake Telluride Mines is shipping ore from its claims at Tartan Lake a short distance north of Flin Flon to Hudson Bay Mining and Smelting Co. at Flin Flon.

* * *

Century Mining Corp. has forwarded a report to shareholders on progress being made at the company's subsidiary, Golden West Mines. On the 125-ft. level the No. 108 crosscut has been driven to intersect the Webb vein. Work was interrupted at this level, however, to permit the establishing of drilling stations at the second level without stopping lateral exploration at that horizon.

On the 250-ft. level, considerable work was done in preparation for drilling. A drill hole from the 250-ft. level station intersected the Garbutt vein below the main crosscut at a depth of 352 ft. returning $23.10 for 3.6 ft. of core. A drill hole 60 ft. to the south, intersected veins at 302, 353, 364 and 455-ft. depths. The Garbutt vein started at 353-ft. depth returning core lengths of 3.5 ft. averaging $4.20, 5 ft. running $2.10, and 3 ft. at $7.

Drifting north from the main crosscut, the Garbutt vein was followed 121 ft. with values of $2.80 to $8.40 across widths of 4.2 to 5.4 ft. until a fault cut the vein off. Both the Garbutt and Webb veins were picked up past the fault. Three drifts have been started. In the Garbutt south drift at the 250-ft. level a length of approximately 90 ft. of ore has been opened up averaging over $20 per ton across drift width.

* * *

Central Patricia Gold Mines has declared an extra dividend of 2 cents a share payable along with the regular quarterly dividend of 4 cents a share on Jan. 2, 1940, to shareholders of record Dec. 15. A similar amount was distributed on Jan. 3, 1939 and three regular 4-cent dividends plus extras of one cent each were also paid in 1939.

* * *

Dona Patricia Gold Mines has been appointed mine manager for the company's operation southwest of Pickle Crow Gold Mines and adjoining Central Patricia Gold Mines to the south. Recent surface work is said to have exposed a strong, well-mineralized shear zone for a length of 2,000 ft. in which two parallel quartz veins have been opened for a length of 100 ft. each.

* * *

International Mining Corp. has declared a dividend of 15 cents a share, payable Dec. 22, 1939, to shareholders of record Dec. 18. Previously this year three dividends of 10 cents each have been paid.

* * *

Jellicoe Mines (1939) completed an agreement with Oro Plata Mining Corp. on Dec. 6, 1939, by which 100,000 shares were underwritten at 10 cents a share payment for which has already been received. An option was also granted on four blocks of 100,000 shares each at 10, 15, 20 and 25 cents a share respectively for 60 days for each of the first two blocks, 120 days for third block and 180 days for the fourth.

* * *

Laguerre Gold Mines completed an agreement on Nov. 16 by which Anglo-Huronian agreed to purchase 50,000 shares at 5 cents a share; 100,000 shares at 12½ cents a share and an additional 300,000 shares at 15 cents per share, payable forthwith. An option was also granted on a further 1,249,995 shares at 20 to 60 cents a share payable by Nov. 1, 1942. Authorized capital of the company is 3 million shares of which 1,750,005 have been issued.

* * *

Laura Gold Mines has completed shipment of its first car of ore from its property four miles west of Cranberry Portage to Hudson Bay Mining and Smelting Co. at Flin Flon. In the meantime further ore is being prepared for shipment and if the result of the first carload shows a reasonable profit, it will be followed by others.

* * *

Magino Gold Mines has completed geological mapping of its workings, according to H. T. Leslie of Mining Research Corp. The red porphyry is said to have been proved the key to ore deposition. All surface buildings have been overhauled and repaired in readiness for resumption of operations. The mine is now in shape for an immediate campaign of underground development.

* * *

Mobirk Beryllium Mining optioned 1 million shares to John Schultz on Dec. 7 as follows: 200,000 shares at 5 cents per share; blocks of 150,000 shares each at 6½ and 7½ cents a share, and the balance at 10 to 35 cents a share, payable $1,500 on Jan. 15 and Feb. 15, 1940; $3,500 on Mar. 15, 1940; $500 monthly thereafter for seven months with balance payable in July, 1941. Authorized capital is 3 million shares with 1,000,005 issued.

* * *

Nipissing Mines Co. has forwarded a statement of financial position along with dividend cheques for 15 cents a share. As at Nov. 25, 1939, cash in bank, government, rail and corporation bonds, other investments and ores on hand were valued at $1,955,558. In addition, the company held 1,441,961 shares of Beattie Gold Mines carried at $334,344, representing cost less proceeds of shares sold. Market value of Beattie shares on Dec. 4, 1939, amounted to $1,499,639. Current assets totalled $2,289,902, it is stated. Neither Nipissing nor its subsidiary operating company had anything but unimportant current liabilities and liability for 1939 taxes outstanding.

* * *

New Ribago Mines optioned 534,507 shares to Allied Development Co. Ltd. on Nov. 20, 1939, as follows: 34,507 shares at 5 cents per share payable by Mar. 15, 1940; blocks of 100,000 shares each at 5, 6, 7, 8 and 25 cents per share payable 100,000 shares monthly. On Nov. 20, 1939, the company also optioned to W. E. Webster and Allied Development Co. 235,493 shares at 5 cents per share payable by Mar. 15, 1940.

* * *

Norwin Molybdenite Mines is now preparing a small shipment of ore for the ore-dressing station at Ottawa, some 13 miles distant. Arrangements are also being made for a programme of diamond drilling as recommended by Dr. A. L. Parsons.

* * *

Reeves MacDonald Mines did not give consideration to a production programme in the period from Sept. 1, 1938 to Aug. 31, 1939, due to low London metal prices, states Lewis P. Larsen, president, in the company's annual report. On Aug. 31, 1939, current assets of $4,294 included $3,111 cash. Current liabilities were $1,261 including $1,119 to Pend Oreille Mines and Metals Co. The company also owns $25,000 of Pend Oreille Mines and Metals Co. 6% bonds due July 1, 1947.

* * *

Steep Rock Iron Mines has received payment for 5,000 shares at $1 a share which were to be taken up in November. The financing agreement has now been completed in full. Issued capital is 3,000,005 shares, so 1,999,995 shares are left in the treasury for further financing.

* * *

Whittier Gold Mines, formed by Saskatchewan interests, now has J. P. Leitch doing geological work on its property at Elbow Lake. The property comprises 12 claims under option which were formerly known as the Vanberg property staked by John Vanberg. Mr. Leitch is outlining a programme of surface work to supplement that already done as a preliminary to diamond drilling.

* * *

Wampum Gold Mines has been formed to take over the Ken McRae discovery at Wampum Lake, 45 miles north of Fort Frances, Ont. The property comprises 22 claims on which five separate gold-bearing vein systems have been discovered in a width of over 1,000 ft. Authorized capital of the company is 3.5 million shares of which 1,150,000 are being issued for the property. Directors of the company are: George E. Gare, president; G. I. Kenny, secretary-treasurer; W. L. Macnamara, D. I. Jarvis and C. E. Rea. A. H. Norton, geologist, will be in charge of operations. Considerable activity has been reported in the area recently with new parties going in.

Week in Oils

Oil Fields Progress Despite Failures

Jumping Pound and Savannah Creek Tests Severe Disappointments But Turner Valley Advance Offers Strong Antidote

From Our Own Correspondent

CALGARY.—There is no denying the extreme disappointment of crude oil interests in the failure of Jumping Pound. A second wildcat disappointment was the abandonment of the Savannah Creek test.

But Turner Valley provided a powerful antidote. Two new wells were completed, three more topped the lime. Four were spudded and locations for two others selected.

Turner Valley's present activity is greater than during any previous winter—a season during which drilling is made more difficult by weather conditions—and is equal to the peak activity attained last spring and summer.

The increasing activity in the Empire's major crude oilfield, whose 91 producing oilwells have a capacity rated flow through one-inch chokes of 63,251 bbls. daily, is further emphasized by the summary of current operations: Wells completed testing production 4; wells drilling in lime, 3; wells drilling above lime, 17; wells to resume, 1; wells standing, 9; wells preparing to spud, 12.

* * *

Two New Wells

The two new completions are Northwest Hudson Bay 2 and Royalite 43.

Northwest Hudson Bay 2, in the extreme south end of producing Turner Valley, was completed 441 ft. in the lime at 7,591 ft. and was brought in with a heavy initial flow that indicates the well will rank among the field's major producers after completion of acidizing, now under way.

The well is the second to be drilled on Hudson Bay Oil & Gas Co. acreage by the Northwest Co., an Imperial Oil subsidiary. Hudson Bay Co. and Hudson Bay Oil & Gas each hold 5% gross royalty in production. Net production goes to the Northwest Co. until drill costs have been recovered and will then be shared equally by Northwest and the Hudson Bay Oil & Gas Co.

The third well in the programme, Northwest Hudson Bay No. 3, was spudded in a few days ago. The first well, completed some months ago, is rated a major producer. The programme covers a series of wells to be drilled in Hudson Bay Oil & Gas Co.'s section 8-18-2w5.

* * *

Halt Depth Drill

Second completion of the week was Royalite 43 well, in the north end of the field. Drilling was halted 509 ft. in the lime at 8,800 ft. after a thick upper porous section showing 130 feet of fair to good porosity had been penetrated. Because of the well's position on structure it was decided not to carry drilling on to the lower porous. The lime was topped 3,909 ft. below sea level, about 50 feet higher on the flank than the lime contact at north end big producer Home 2. The well is now being cleared and readied for production test.

* * *

Three south end wells topped the lime during the past week, set casing, resumed drilling and are expected to reach completion about Christmas. They include Royalite 45, which made the contact at 7,060 ft.; Royalite 46, at 7,554 ft.; and Command 2, at 7,700 ft.

* * *

Pacific Petroleums Ltd., Vancouver-organized company with a substantial interest in three producing Turner Valley oil wells, spudded in a fourth well this week and will get a fifth under way this week end. Pacific 4, located between Pacific 1 and Royalite 42 in the south end, was spudded a week ago. Pacific Pete will have a 75% interest in production, gross royalties payable being 10% to the Crown and 15% to others.

* * *

Pacific No. 5, a south offset of Anglo Canadian 8 on the central west flank, will spud this week end. The popular preferred net royalty method of financing is being used for this well. Gross royalties include 15% to the Calgary & Edmonton Corp. and 5% retained by Pacific Pete. Drilling is financed by issue of 60% preferred net royalty, on which $3,200 per 1% is repayable from first production, 25% preferred is being issued to the public and Pacific retains the remaining 35% preferred and the balance of 20% deferred net left in the well.

* * *

New Refinery

A start was made this week on a 750-barrel refinery at Lloydminster. According to R. L. Shaw it is expected to be in operation in 60 days. Pipe lines are being laid from the Shaw Petroleum No. 1 well and the Colony wells. J. H. Cattanach, formerly with A. C. Chemicals, Saskatoon, has been engaged as chemist. Mr. Shaw says he has a new process for making high octane gas by a blend of crude oil and natural gas. A standard distillate fuel and road-surfacing oils will also be manufactured. Through a new patented process other products, including industrial alcohol anti-freeze and boiler compounds, will be produced. It is planned to sink two additional wells in the vicinity of the refinery.

* * *

Storage facilities for Lloydminster crude oil shortly to be used as fuel for the provincially owned power plant at North Battleford, are being substantially increased.

Initial plans called for storage capacity of 30,000 gallons of crude. These are now revised upward to provide for 50,000 gallons. It is anticipated the change over at the power plant to oil fuel will be made the first week in 1940. It is being watched with much interest as it is the first experiment of its kind in western Canada.

* * *

Two Disappointments

Analysis of formation samples from the Brown Consolidated Jumping Pound has confirmed that "irregularities" in formation reported last week was a fault to Belly River formation, entered after drilling had proceeded through a normal sequence of formations to some 6,500 ft. On advice of government geologists, drilling was discontinued at 6,885 ft. and thorough tests will be made of the Dalhousie sand and other horizons where evidence of oil was found, in a final effort to obtain commercial oil production. Casing has been perforated at the Dalhousie sand level (from 6,285 ft. to 6,440 ft.). and testing of this zone is now under way.

* * *

Steveville Looks Better

National Petroleums and Vulcans Oils joint Waite Valley test, making hole with heavy duty rotary below 5,850 ft. is drilling through the series of coal bands normally overlying the Home sand. The Home is expected at any time. The lime may be reached by 6,500 ft.

A substantially improved outlook for the Steveville Area, proved a major gas field by the Anglo Canadian tests, is indicated by results obtained in recent cores taken at the Standard Oil of British Columbia test in this area. Standard is now coring and drilling more than 184 ft. in the lime below 3,388 ft. Cores show good oil saturation with apparently no trace of water such as was found in the lime at the Anglo Steveville tests. A gas-flow of about 7 million cu. ft. daily plus some oil showings were encountered and eased off in the top 50 feet of lime.

* * *

More Dividends

Raising 1939 distributions to shareholders in Alberta Oil Companies to more than $2.4 millions, Okalta Oils Ltd. will distribute $135,000 on or about Dec. 21 to holders of 4,500 preferred shares of record Dec. 15. The distribution represents a payment of $30 per share to be applied to redemption and retirement of the preferred issue. $40 per share has previously been paid.

Frontier Royalties Ltd. will distribute proceeds of production for quarter ended Nov. 30 on Jan. 3 to shareholders of record Dec. 20. Amount per share is not yet known.

Coronation Royalties Ltd. will make a further repayment on money borrowed for drilling, repayment to be made Jan. 3 to shareholders of record Dec. 20.

* * *

First of Seven

The first of seven wells to be drilled on Calmont Oils acreage by the Northwest Co. is spudded in. Calmont Northwest 1 is on the central west flank, half a mile north of Anglo Canadian 8. Northwest, which puts up drill cost, will recover cost from first production and thereafter will share net revenue evenly with Calmont. Only gross royalty payable on the No. 1 well is 10% to the Crown.

* * *

Spudded in a day or two ago was the second publicly-financed drill-test in north Turner Valley—Alberta Oil Incomes 2, three quarters of a mile north of Home Millarville 2. Drilling was financed by issue of 52% preferred net royalty, on which $3,675 per 1% is repayable from first net production. Gross royalties payable include 10% to the Crown and 15% to others. Sponsors of the project, the A. H. Mayland-Shultz group, retain the 23% deferred net royalty in the well.

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Are Junior Golds Bargains?

Earnings Exceptionally High At Present Market Levels

By GORDON M. GRANT
Staff Writer, The Financial Post

If 20 years' peace could be guaranteed tomorrow, an unprecedented boom in shares of junior gold mines would be generated, by all present signs. The level of earnings—and potential earnings—on many junior issues is even now phenomenally high. It far overshadows the increased yields on the senior gold shares.

Suggestion of earnings of 15 to 25% on junior golds would have been scoffed at a few years ago. They just wouldn't have been considered possible in this era of low interest rates. Weren't junior golds to be the big mines of tomorrow? The growth stocks?

But times have changed since then. Very few of yesterday's junior golds proved really big mines. Many investors are now assuming that only the same proportion of today's juniors will become senior golds tomorrow. No such assumption, however, is fully warranted.

The big new factor, of course, has been war. So drastic were declines caused by war scares that outbreak of war itself did little more to the depressed market for junior golds. Not only had prices allowed for the outbreak of war but apparently for two or three years of the worst kind of fighting—or so it appears.

War Stressed Too Much?

Has the war bogey been overdone as far as the junior golds are concerned? Even should fully-financed junior gold producers be eventually forced to close down for, say, three years due to war, share prices should only have dropped about a fifth allowing interest on stock valuation at 5% and a little extra for shut-down and reopening expenses.

But who thinks that junior gold mines will be shut down at all? Costs will undoubtedly rise somewhat for junior golds—and for the seniors for that matter—but satisfactory profits should be realized even during war, many people apparently believe. Production of gold is essential to Canada in wartime and the Government is likely to protect profits of gold producers.

Earnings Unusual

With this background, the present level of earnings shown by the junior golds seems extraordinary. Of course, many of the younger mines have yet to prove themselves. Production and costs are notoriously hard to estimate accurately in mining. Even the best managements run into unexpected snags. For this reason junior golds should perhaps sell somewhat lower than the senior golds on an earnings basis.

But managements are becoming more conservative and estimates appear more likely of attainment today than a few years ago. Cutting of high assay values obtained is now becoming standard practice. It should result in estimates coming much closer to the mark than has sometimes occurred in the past.

Ore Reserves Good

Generally-speaking ore reserves of the junior golds should be smaller than for the senior golds. This is not always the case, however. Chesterville has close to nine years' milling requirements and many other junior golds are also well fixed in this regard.

Some of the junior golds may be fairly high-cost producers but at least a few of them are in the low-cost category. A relatively larger amount of development is carried on by some young mines than by older producers. This may allow the juniors room to curtail operations somewhat to maintain profits. Other juniors may be behind in their development and costs are inflated as this work is pressed. The importance of the development angle, however, has probably been overstressed.

Below are reviewed a number of junior golds. They are not necessarily those that are best placed to make a good showing in wartime but they demonstrate better than others the high earnings rate now in existence among junior golds.

East Malartic

East Malartic Mines has been growing so rapidly that it is already almost out of the junior gold class. The East Malartic ore body now appears one of the largest gold deposits opened up on this continent in recent years.

Last week The Financial Post estimated, on the basis of October production and operating costs, and write-offs similar to those of last year, that East Malartic net profits were running about 42 cents per share per annum. With a 50% increase in milling capacity placed in effect this month, profits may be as high as 63 cents a share.

Even at the new enlarged milling rate of over 1,500 tons daily, ore reserves should be sufficient for milling needs for over half a decade without putting a single ton more ore in sight. Development at depth, however, is revealing ore dimensions fully up to those on the upper levels.

Current liabilities and cost of the milling addition have probably been fully discharged from operating profits realized in recent months. Building up the working capital position will likely come next followed by dividends.

Preston East Dome

Treatment of a portion of its "jewellery box" ore has meant a rapid increase in production at Preston East Dome in recent months. November output of close to $400,000 compared with $262,454 in October and $152,080 last August. Total costs should not be running over $70,000 monthly so the company is just now realizing the finest margin of profit of any gold mining company in Canada.

Of course, production is not expected to continue at the present level for any great period. Officials decided that the profit in some of its high-grade ore should be realized as soon as possible. The excess profits tax can't take any part of profit realized this year and officials possibly had this in mind in stepping up production.

Even if only a net profit of $80,000 monthly is realized over an extended period, net profits would still work out to 32 cents a share. At present the company shares are selling a little over the $2 mark. An initial dividend of 5 cents per share has been declared and it appears that this will be a quarterly affair.

Working capital in the treasury should be very substantial in view of profits realized in recent months.

Chesterville

The Chesterville picture is an interesting one. Using estimated October costs (the latest available) and November production, net profits are now at a rate of 16.2 cents a share. October production was higher than that in November and in that month profits were running at 23 cents a share per annum. Recently the company's shares have been selling at 85 cents.

While monthly production shows considerable fluctuation it appears that on the average substantial profits should be realized. Tailings will no doubt be further reduced and this will help.

A substantial bank loan was incurred to finance mill construction and this must be cleared away before dividends can be started. Officials have so far used profits to buy all essential supplies needed up to the end of next year but liquidation of the loan is scheduled to start this month. Repayments will run $35,000 to $45,000 monthly in 1940, it is anticipated.

Perhaps the best aspect of the Chesterville picture is the way ore reserves have been growing. A short while ago indicated ore was placed at 1.5 million tons. Since then extension of the "A" ore body on new levels has increased indicated ore substantially. Reserves should now be close to nine years' milling requirements if not more. When the money is available, an increase in milling capacity would seem to be warranted.

Upper Canada

There is no question of proving earning power in the case of Upper Canada Mines. In the 11 months previous to commencement of operations at its own 150-ton mill on Oct. 4 of this year, the company shipped ore to the 100-ton mill of Morris-Kirkland Gold Mines. A profit of $142,591 or 4.8 cents a share was realized in less than a year. In the last five months of this period $122,959 was realised as profit giving an earnings rate of 10 cents a share a year.

But the Upper Canada mill is 50% larger than that of Morris-Kirkland and a larger profit should be realized for this reason. A lower average grade of ore may be treated but this should be offset at least in part by a reduction in costs. Trucking of ore will not be necessary and treatment of a larger tonnage gives greater efficiency.

The company will now have to allow for depreciation on its own mill but this should not be a great charge. Earnings of Upper Canada are reported at close to 12 cents a share. The stock is selling at about 65 cents. Financial position is sound and payment of dividends should be possible before another year has passed.

Due to limited development of the three ore zones from level to level, ore reserves are difficult to estimate but there should be at least two years ore ahead of the mill at present. Indicated tonnage is very large. The fact drilling has indicated the downward continuation of ore to 1,000-ft. depth is important. Opening up of two new levels is just getting well started and this could add quickly to the ore reserve position.

Privateer

Privateer Mine is an established producer showing a high rate of earnings compared with current market price of 93 cents a share. Dividends are being paid at 20 cents per share per annum and officials anticipate no difficulty in maintaining this rate. Based on the market price dividend yield is 21.5%.

How long can Privateer maintain its dividend rate? Ore reserves last August were about one and one-half years milling requirements and normal development since that time has probably maintained this reserve. While the main vein has shown a somewhat lower average grade on the bottom level than on the upper horizons, width has been greater. Another vein has been encountered in the workings carrying rich ore which may prove as important as the present main vein. Looking toward the future, the management has secured control of the adjoining Prident deposit and has taken over the adjoining Van Isle workings of Man-O-War Mines, where lower grade ore is being developed.

Surface exploration last summer located a number of rich high-grade veins and adits were started on two of them. Now more power is available with additional Diesel equipment installed, exploration will no doubt be pushed. In view of numerous ore shoots located it appears the company has good chances of having a medium long life. It is well to remember that practically no mine suddenly runs out of ore. There is a period of decreasing reserves over a number of years with profits declining as lower grade ore is treated.

But from results to date no one would be warranted in saying that Privateer's life is going to be short.

Madsen

Milling operations have been carried on continuously at Madsen Red Lake Gold Mines since Aug. 11, 1938. The company now appears to be established as one of the seasoned smaller producers.

From Aug. 11, 1938 to Feb. 28, 1939, the company realized a profit of $194,861, equal to 5.8 cents a share. This represents a rate of 10.7 cents per share per annum. The stock is now selling at 46 cents a share. Production has been slightly higher recently and this is probably offsetting any increase in costs experienced from the programme of shaft sinking carried on.

Shaft sinking is a good omen at Madsen. Early work on the bottom level at 500 ft. failed to disclose ore but subsequently some lower grade ore was opened up. Nine out of 12 drill holes put down below the level returned commercial values justifying the carrying of work to depth.

Broulan Porcupine

Broulan Porcupine is not yet a fully seasoned producer but on pre-production estimates prospects appear very bright. Management states that mill heads should average $10 a ton or better and costs are expected to be around $5.75 per ton. From preliminary data which The Financial Post has seen, mill heads of close to $12 a ton appear likely. If a $5 per ton margin of profit is realized on the basis of 250 tons daily, earnings would be 17.6 cents a share. The mill may treat 300 tons daily, however, and earnings could be increased to 21.1 cents a share.

On the basis of 250 tons of ore treated daily, present indicated tonnage should carry operations for four or more years. All the values mentioned above are based on $35 gold and the premium now being realized on gold should offset any rise in costs for some time to come. Development is extending the ore tonnage available.

The company's first gold brick was poured on Nov. 3 with a value of slightly over $45,000 with gold taken at $38.50 an ounce. An additional $11,000 was estimated to have been absorbed in the mill circuit. This output was obtained from 6,439 tons of ore with mill heads averaging $9.44 a ton (gold at $38.50). This was a really good figure for mill heads since 60% of mill feed came from the surface stock pile which is lower grade. Sorting equipment should now be in operation and should raise mill heads by perhaps a fifth. Tailings loss has been reduced considerably.

Broulan shares are now selling at 50 cents.

Malartic Gold Fields

Malartic Gold Fields has started its new mill. Rated mill capacity is 300 tons. While it is difficult to make an accurate estimate of ore grade to be treated, officials are understood to be expecting heads of $9 a ton. Recovery of from $8 to $8.50 a ton appears conservative.

No management estimate of costs is available but Sladen Malartic, in the same area, realized average total cost of $4.01 a ton treating an average of 303 tons of ore daily. If a profit margin of $4.25 a ton is realized, earnings should work out to 12 cents a share. The stock is now selling around 83 cents a share.

Underground work has opened up 230,000 tons of ore with perhaps 600,000 tons of additional ore indicated by drilling in an ore body fairly close to the shaft. Drilling has also indicated ore bodies in other parts of the property which suggest the oversize mill building will some day be utilized.

Cochenour-Willans

Cochenour-Willans started production earlier this month with apparently very bright profit possibilities. Mill heads of $14 a ton are expected while costs may run about $7 a ton. If these estimates are realized, and if the expected 95% extraction is obtained, earnings would work out to 12 cents a share. Mill heads might run higher than $14 a ton, boosting profits. It is recalled that nearly 5,000 tons of ore shipped to the Gold Eagle mill gave a recovery of over $20 per ton. This ore was taken from all the then known ore bodies.

A couple of months ago, ore reserves were estimated at upward of 150,000 tons or about three years' requirements at the 150-ton rated capacity. Since that time ore has been cut on a new low level at 375-ft. depth, indicating that ore reserves should be increased materially without much additional work. Diamond drilling has also indicated new ore shoots and, of course nothing is allowed in ore reserves for this. The Cochenour mill may treat 200 tons rather than the 150-ton rated capacity.

Cochenour shares are now selling around 80 cents a share.

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Mining Enquiries

Wright-Hargreaves

Please outline briefly the present position of Wright-Hargreaves Mines? Are dividends paid in Canadian funds?

Wright-Hargreaves Mines has shown a remarkably steady earning rate in recent years, with net profits for fiscal year ended August 31, as follows: 74 cents a share in 1939 and 1938; 72 cents in 1937 and 1936; and 70 cents a share in both 1935 and 1934. Dividends totalling 70 cents a share per annum have been paid in each of the last three fiscal years on the basis of 40 cents per annum in regular quarterly dividends of 10 cents each, plus 30 cents a share in extra dividends.

The company had almost four years ore reserves outlined on Aug. 31, 1939, and it appears likely ore reserves will be at least maintained in the present year, as development of new deep levels is just getting well under way. It is interesting to note that first work at depth revealed high-grade ore in both the company's major ore zones, promising that ore deposition at depth will be satisfactory.

Dividends are being paid in United States funds.

Sherritt Gordon

How is Sherritt Gordon doing at present?

Sherritt-Gordon Mines continues to produce approximately 30 million pounds of copper per annum, realizing therefrom an operating profit of close to $700,000 a year. Now that the company is selling close to 80% of its copper output under contract to the British Government, possibilities of the company benefitting from higher world prices for copper seem remote.

In the company's last quarterly report, it was stated that prospectors had staked claims in the Granville Lake area of Manitoba, following a discovery of gold. Further work is planned in this section next year and might prove important. The working capital position has been built up substantially over the last few years and should now be close to $2 millions compared with about $400,000 at the end of 1937. With very capable management, Sherritt-Gordon should eventually have some success in its search for new mining properties of merit.

Mining Corporation

Are Mining Corporation's shares a good investment?

Mining Corporation of Canada is one of the big mining investment companies whose market price fails to reflect the equity behind its shares. The company's holding in Hudson Bay Mining and Smelting Company alone works out to nearly $2 a share. In addition, the company has important holdings in Jerome Gold Mines, which is developing a property in the Opeepeesway area, near Sudbury, almost 2.5 million shares of Normetal Mining Corp. and 139,000 shares of Kerr-Addison Gold Mines.

Earnings have not been great in recent years, amounting to only 5½ cents a share in 1938, but the company's revenue is sufficient to take care of a large amount of exploration which some day may yield important results.

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Norgold Mines May Get Cash

Mic-Mac Explorations Option on "C" Group Expires Dec. 31

If Mic-Mac Explorations, subsidiary of United States Smelting Refining and Mining Co., exercises its option on "C" group of Norgold Mines by due date Dec. 31, 1939, treasury of Norgold will be enriched by $120,859 cash, states Denison Denny, managing director, in the company's annual report. Original option price was $150,000 but due to granting of an extension, Mic-Mac agreed to make certain monthly payments, reducing the amount to that given above.

Surface drilling results obtained by Mic-Mac on Norgold ground are stated to have been substantiated by a broad programme of diamond drilling from underground. The orebody, however, is said to be too deep to allow development from the underground workings within the adjoining Cassels-Duval property. Drilling in 1939 on the remaining Norgold property did not yield results of importance.

As at Aug. 31, 1939, current assets were $29,652 against $2,408 current liabilities.

Walker Patricia Finances For New Drilling Test

A contract for 5,000 ft. of diamond drilling has been let by Walker Patricia Gold Mines for its property in the Pickle Crow area adjoining to the north of Pickle Crow Gold Mines and Central Patricia Gold Mines. Drilling will be done by Auric Diamond Drilling Co.

In a previous drilling, 25 ft. of core was drawn from the bottom of one hole which averaged $5.40 per ton. Equipment was too light to finish the hole but a heavier drill is now being taken in. A new zone on the northern section of the property reported recently will also be investigated. All the necessary funds for proposed work are in the treasury it is stated.

Municipal Finances

Edmonton assessment roll for 1940 is expected to reach $54 millions, an increase of $300,000 over the 1939 figure, according to civic officials. Two one million dollar stores built by The T. Eaton Co. Western Ltd. and the Hudson's Bay Co. will be shown on the 1940 roll. But several big losses will be shown due to tax forfeitures and removal from the roll of property purchased by the Alberta government during the past year and now tax free.

* * *

Brantford, Ont., in a recent statement presented to the city council by E. A. Danby, city treasurer, reported progress of the municipality, cardinal features of which were:

During the past two years, expenditures have been reduced $189,534.

Debenture debt has been reduced in this period by $836,613.

City has a surplus in sinking fund above actual requirements of $134,458, to provide against reduced earnings power of investment, and possible depreciation in value of securities held.

Current collections have increased from 78.3% in 1937 to 83.11% in 1939. Arrears collections have increased from 40.15% in 1937 to 45.02% in 1939.

There will be a reduction in levy for debt charges in 1940 approximately $32,000 after meeting all relief out of current expenditures attributed by the city treasurer to the municipality's pay-as-you-go policy.

* * *

Sudbury, Ont., will conclude the present year in a better financial position than in the past four years, according to Mayor W. J. Laforest. Surplus will be approximately $5,000. Net debenture debt increased $302,036, because of debenture issues for public schools, amounting to $156,000 and an addition to the mining and technical school was debentured at $180,000. In addition $150,000 was issued to replace a previous issue. Local improvement debentures for water and sewer improvements were issued for $49,571.

* * *

Stamford Township, Ont., debenture debt at the end of the year will amount to $906,533 compared with $986,624 at the end of 1938. Bank loans at Nov. 15 amounted to $58,366 in 1938, but were eliminated this year. Other current liabilities amounted to $4,857 at Nov. 15, 1939, compared with $17,223 at the same time last year.

* * *

Windsor, Ont., assessment on which 1940 taxes will be levied, has been increased $701,860 to $111.1 millions. Assessment Commissioner H. A. Webster announces. The total is divided as follows: Land valuation, $31.1 millions; building, $80.1 millions; land and building total, $111.1 millions; liable for taxes, $83.8 millions; public schools, $69.1 millions; separate schools, $14.8 millions; liable for local improvements only, $23.1 millions; property not liable, $4.1 millions; and liable for school rates only, $93,210.

FOR THIS MOMENT . . . .

I am a cigarette. Hands are opening the package which protects me. I do not know whose hands, nor what his mood. He may be weary with toil, or zestful with play, or tense with anxiety . .

You who are opening my wrappings — you may be in an exclusive club, a factory yard, at a wedding feast, or by some quiet fireside. But whoever and wherever you are, and whatever your state of mind, I am ready to heighten your pleasure or soften your distress . . .

To this end and for this moment — as green leaves waving under southern breezes — I drank in sunlight and fresh air, the fragrance of rain upon clean earth, of dew under starlight . . . In preparing me for this moment, thousands have found their livelihood: for I was blended with delicate care from many types of leaf, formed on costly machines, clothed in the purest of paper — made perfect.

For this moment, all my freshness and flavour have been jealously preserved so that, whether you are millhand or millionaire, whether you live in city or village, you may find delight in my silent companionship . . . I am a cigarette.

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Inter State Royalty Reports on Position

From Our Own Correspondent

MONTREAL.—Inter State Royalty Corp. reports that as at November 30 the company's investments in oil royalties had a book value of $1,114,115.

Gross revenue from royalty incomes and that division amounted to $497,493 up to October 31 and the reserve for depletion totalled $136.811 to the same date.

During October the corporation had a gross royalty income of $4,534 and accumulated gross income for the first 10 months of 1939 of $63,277.

Montreal Stock Values Drop During November

From Our Own Correspondent

MONTREAL. — Securities listed and traded on the Montreal Stock Exchange and the Montreal Curb Market had a value of $6,926 millions as at November 30 last, a decrease of $256 millions from the end of October. Compared with the end of November, 1938, the total value showed a decline of $476 millions.

The largest decline was shown by the oil group, which dropped off susbtantially from its highest point since Feb., 1938, with the exception of last month. Other sizeable losses were seen in base metals and miscellaneous mines, pulp and paper and transportation.

Hollinger Consolidated Declares Extra Dividend

An extra dividend of 5 cents per share has been declared by Hollinger Consolidated Gold Mines payable Dec. 30, 1939, to shareholders of record Dec. 15, along with the regular four-weekly dividend of 5 cents a share.

This brings dividend payments in 1939 to $1.10, the same as paid in 1938.

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Ottawa's Thrift Vows Unfulfilled

Greater Routine Expenses Despite Economy Promises

From Our Own Correspondent

OTTAWA.—This week the Dominion Government began to plan expenditures for the fiscal year beginning April 1, 1940.

Three months of war have passed, and judging by the performance of the Government to date, this country faces the grim prospect of fighting war (in the financial sense) on two fronts. On the top of current expenditures, which have been going on without let or hindrance, is now being imposed war spending.

There have been fine phrases from Ottawa, phrases well calculated to enhearten the taxpayer. There seem to have been strongly worded injunctions, letters, memos and the like addressed by Cabinet to the various departments to cut down ordinary expenditures. Theoretically, it is plain as a pikestaff that in the face of expanding war expenditures ($315 millions in the first 12 months of war), and with the Government's self-proclaimed determination to fight a pay-as-you-go war, economies on ordinary account are of vital importance.

Many a Slip

But it is equally apparent that something has happened to this resolution. Something has happened between the point of origin, the Cabinet, and the point of record, the official figures on Government expenditures.

There has been a slight saving. It looks as if on this year's business, which will include seven months of war, the savings may run to 1% of ordinary expenditures. But considering the vastness of these expenditures, a saving of this dimension could be put in the proverbial eye without causing the slightest discomfort.

Actually, on Sept. 1, the Government had spent $2 millions more on ordinary account than in the corresponding period of 1938. By Nov. 30 this balance had been redressed to the extent that expenditures were half a million less than in 1939.

Excuses Made

Innumerable reasons, of course, are advanced in defense of the Government and in excuse for the lack of economy. Right now the attitude seems to be to regard the fiscal year 1939-40 as water which already has passed under the bridge and is flowing away to the far and boundless sea of irretrievable spending.

Next year, say Government spokesmen, will be the test. "Watch the estimates for current expenditures in 1940-41." These estimates are now passing in review before members of the Cabinet. One hears the groans and gasps as the scalpel does its work. But these are, after all, only the main estimates.

There will be supplementary estimates later on—batches of them—and many a government as resolute and uncompromising as the present Government promises to be has survived to see itself frustrated. Even if the Government brings down main estimates next January which show a very substantial reduction in current expenditures, the tendency will be to await the supplementaries.

Relief Costs

But apart from ordinary expenditures, the Government's unemployment relief bill shows no sign of shrinking. On the contrary, there are more employable people out of work today than a year ago. The official figures just issued only reveal the situation as it was on Sept. 30, but the percentage of increase over last year, it is believed, holds good for later periods.

The grants-in-aid to the provinces show a drop on the first seven months of the year (up to Oct. 31) from $8,991,269 to $6,577,925, but relief works are up from $6,841,909 to $15,003,697. On balance, therefore, unemployment has cost the Dominion Treasury $5.7 millions more this year than last, despite recruiting and war contracts exceeding $70 millions.

The type of relief works now being done—highways, repairs and improvements to breakwaters, river banks, etc.—is generally regarded as undesirable. It is uneconomic, for the most part, and of a kind which lends itself to objectionable practices of patronage.

Riddle of Relief

The conundrum presented by the Government's figures on relief expenditures boils down to this: Granted that recruiting of young and largely single men cannot solve the problem, why should there be more workless employables today than a year ago? Business is better and 60,000 young men have been withdrawn from civilian life.

The only answer which seems possible is that relief administration, provincial chiefly, has become more lax, more inefficient than it formerly was.

Record of Departments

The ordinary expense sheet of the Dominion Government gives no hint that a war is being waged. To illustrate, here is the record to date of several departments:

Government Spending
Eight Mos. to Nov. 30

	1939 $	1938 $
Agriculture	8,068,260	6,359,404
Civil Service Comm.	258,098	248,991
External Affairs	995,495	786,142
Penitentiaries	1,864,595	1,699,179
Labor	446,603	466,163
Mines and Resources	8,188,127	8,141,450
Movements of coal	2,799,361	996,753
Research Council	550,460	428,006
National Revenue	7,946,922	7,920,685
Pensions and Health	38,692,555	37,221,337
Trade and Commerce	5,086,608	4,653,403
Transport	7,758,201	7,670,674

These figures do not show any startling increases, except on the movement of coal, but they equally fail to disclose any decreases.

And on top of the Government's current balance sheet must be placed the statutory items which will further inflate expenditures. There is, for example, the bonus to prairie farmers to be paid under the Prairie Farm Assistance Act, which will run to approximately $12.5 millions. There are, as well, the losses sustained on the sale of the 1938 crop and the risk involved in the current crop.

Feeble and Irresolute

The more the facts are examined, the more feeble and irresolute the Government's determination is disclosed to be. Hon. Charles A. Dunning, in his budget last April 25, budgeted for a deficit this year of $60 millions. Hon. J. L. Ralston, his successor, stated in his recent broadcast that $315 millions would be spent on our war effort in the year ending Aug. 31, 1940.

How much of this expenditure will fall during the current fiscal year, which ends March 31, 1940, it is impossible to say. Presumably $125 millions would not be an overestimate. Add this to the expected deficit and a total deficit of $185 millions is reached.

Economy Only Hope

Against this may be placed the gains in revenue due to war taxes imposed in September, which will be relatively small in the next four months, and whatever the Government can achieve in the way of economy.

In fact, the Government had but one chance of achieving its major aim of paying for the war as it proceeded. War taxes cannot begin to assume large dimensions until next year. Economy was the only hope.

Yet the financial statements now complete up to Oct. 31 show little success in cutting down ordinary expenditures. Department after department, as the foregoing table demonstrates, is spending more money, not less, than last year. And special expenditures are soaring.

Supplementary Padding

The Government apparently is now steeling itself to cut down the main estimates for 1940-41, but the main estimates are only the first dose of expenditures. Last session, for example, the main estimates called for expenditures of $457.2 millions but successive supplementaries added first $122.3 millions and then $24.3 millions to the total, or $146.6 millions to the original $457.2 millions. In the game of budgeting, the main estimates are only the first trick.

On any fair assessment of Government spending it should not be too much to expect that 10% could be chiselled out of ordinary controllable expenditure in wartime. Last session the Government budgeted for $416.3 millions on ordinary account. Of this $128 millions is to service the national debt and may be regarded as uncontrollable.

Might Save $30 Millions

But some $288.3 millions of the budget was controllable and, with supplementaries, this total would be swelled to $300 millions. If 10% were clipped off this sum, there would be a saving of $30 millions and this surely ought not to be a hopeless objective.

When war broke out, only five months of the fiscal year had passed. If the Government had then taken steps to save $15 millions it might have felt that its economy pledges were being carried out. So far, however, relatively little has been saved; the departments are proceeding on their way as if peace had never been disturbed, let alone broken.

In excuse, no doubt, many arguments can and will be advanced. War came when most of the contracts for this year's expenditures had been awarded; when the construction season was drawing to a close. War came when the departments had made all manner of commitments for their year's work; when plans had been more than half carried through.

Yet after every excuse is made it remains true that economy, at Ottawa, remains exactly what Edmund Burke said it was—a beautiful thing to contemplate from a distance, but a horrid apparition at close view. Ottawa is all for economy—cross its heart. But so far in this war Ottawa has not got around to practising it.

Watchdogs Leashed

There are several score first-class auditors in the service at Ottawa. The Auditor-general's department fairly teems with people who view every expense account and every expenditure voucher as closely as the War Office would examine a suspected spy letter.

But all the watchdogs of the Treasury are firmly leashed. They exist only to see that moneys are spent the way Parliament said that they should be spent. They have no power and they cannot be given power, short of the War Measures Act, to step in and question the need of buying this or the other, of spending money here and there.

Check by Parliament

Parliament and the Cabinet are the only checks on expenditures and when Parliament has voted money, only the cabinet and the ministers in their respective departments can call a halt.

The present Cabinet has repeatedly vowed itself to economy. Hon. J. L. Ilsley's budget speech in the war session was a model in that regard. But collectively the Cabinet shows little if any sign, to date, of meaning what it has said.

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Rails Cancel Special Rates

Drop Competitive Water Freights on Newsprint at End of Year

From Our Own Correspondent

MONTREAL.—Canadian and American railroads have reaffirmed their decision to cancel all water-competitive rates on Dec. 30, 1939, on newsprint paper from eastern Canadian points to destinations in the eastern and central western sections of the United States.

The reason given is that there is possibility of an increase in shipping costs in 1940. The railroads are of the belief that all water-competitive rates should be rejustified, beginning with the maximum normal rate authorized by the Board of Railway Commission for Canada, and should become effective. The latter basis of rate was increased 10% on March 28, 1938.

Under the circumstances the eastern American railroads at a conference last October decided to join their Canadian railroad connections in the cancellation of the water-competitive rates. Because of protest by both cosumers and producers, the railroads held a private hearing to afford protesters an opportunity to justify the continuance of the present water-competitive rates.

B.C. Newsprint Exports Hit

Effect of Australian Curb Likely to Reduce Shipments From West Coast

From Our Own Correspondent

VANCOUVER.—British Columbia's newsprint exports to Australia may be affected adversely by the new import restrictions imposed by the Commonwealth Government, in an effort to reduce to a minimum the unfavorable balance of trade between Australia and non-sterling countries, including Canada.

Powell River Co. and Pacific Mills Ltd. have been shipping about $2 millions worth of newsprint to Australia annually under a long-term contract in which eastern Canadian mills also share to some extent. They had hoped to increase this business owing to the elimination of competition of the British Isles, Scandinavian countries and Germany by war conditions.

However, under the new Australian policy imports even of the most essential nature are to be subject to license, and it is understood that during the December-January period and probably for the following two-month period imports are to be limited to one sixth of the total for the past year, on a dollar basis. In other words, Australia will not grant licenses, except "for very special reasons" for the outlay of more money for specific goods than was spent during the past year.

Root of Difficulty

The difficulty lies in the fact that the costs are on a c.i.f. basis. The cost of transportation, insurance and other factors is included in the amounts of capital export to be licensed. As costs of freight have greatly increased since the war they will absorb a much larger proportion than they did in the past year, and the volume of newsprint shipments will therefore be curtailed accordingly.

B. C. newsprint men anticipate that some sort of adjustment will have to be made before long unless the Australian publishers propose to curtail their consumption on a drastic scale. Otherwise they will have no other source of newsprint, and their own production will not be available for some time and even then will not be adequate to fill more than about one third the country's requirements.

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DOSCO OBJECTS TO DUTY

MONTREAL.—Dominion Steel & Coal Corp. has appealed to the Tariff Board against a 20% duty levied by the National Revenue Department on special gas producers used in steel making at its Sydney plant. Decision has been reserved.

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B-5 — Flower Mist Toilet Water in White Orchid, June Geranium, Jasmin, Gardenia, Orange Blossom, Carnation. 1.10, 1.85, 3.50, 7.50.

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B-8 — Gift box containing Bath Mit and Dusting Powder. 1.85.

B-9 — Gift box containing Hand-o-tonik, Soap and Bath Mit. 2.50.

B-10—Gift box containing Bath Mit, Hand-o-tonik, Soap and Talcum. 3.60.

Give Beauty and Loveliness With
Elizabeth Arden

B-11 — Beauty Primer, blue linen grain Fabrikoid box containing orange skin cream, cleansing cream, Amoretta cream, skin lotion, Hand-o-tonik, face powder, lipstick, nail polish and all-day foundation. 5.50.

B-12 — Jumbo Lipstick in Stop Red, Day Cyclamen, Evening Cyclamen, Red Wood, Burnt Sugar, Coquette. 2.20.

B-13 — Single Christmas Bell containing Blue Grass perfume. 2.00. Night and Day perfume. 2.25. Twin Bells. 3.75.

B-14 — Evening Bag of Velvet or Satin. Contains Compact, Lipstick, Perfume and Comb. 19.50. Metallic bags at 21.50. Velvet at 18.60, Brocades at $28, 32.50 and $35.

B-15 — Snuff Box Compact to match jumbo lipstick, 5.00. Initialled 40c extra.

B-16 — Fitted Daytime Bag in choice of Suede, Lizard or Calf. Contains Lipstick, Compact, Comb and Mirror. Space for cigarette and change. Each 19.50. Other styles with same contents 22.50, 27.50, 28.50 and 32.50.

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TOILETRIES DEPARTMENT — STREET FLOOR

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